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THE
IS?



You think politicians don't matter? She knows better

Oxfam report attacks the West's unbending and self-serving approach to Third World debt

Diane Coyle
Economics Editor

Western politicians and the International Monetary Fund have been attacked for obstructing policies that could save the lives of more than 3 million children in Africa and Latin America.

Oxfam yesterday criticised both the IMF and leaders from the Group of Seven industrial countries for lack of vision, because of their efforts to block reductions in the payments that some of the poorest countries in the world must make to the very richest.

The aid charity said that the IMF, along with the German, Japanese and American Governments had been "systematically undermining" financial relief for countries such as Uganda and Bolivia, even though they had an excellent record of economic reform.

It praised Britain for its efforts to reduce their developing world debt burdens: Kenneth Clarke is the politician who has done more than anyone to get the debt issue onto the world's agenda. But generally, British politicians have been silent during the election campaign about the future of our contributions to the developing world.

The Conservative manifesto does not mention aid, while Labour's affirms its commitment in principle to spending 0.7 per cent of national income on overseas aid. But both the main parties are committed to spending plans that cut the overseas aid budget.

The total cost of the falling plan to reduce debt interest payments to the IMF and World Bank by desperately poor countries like Uganda, Ethiopia, Rwanda and Mozambique, is between \$5.6bn and \$7.7bn - equivalent to the annual spending on running shoes

• The total cost of the plan is equivalent to the US's annual spending on running shoes •

in the US, or the sum by which Britain's Treasury got its forecast for last year's government borrowing wrong.

These modest debt relief proposals, agreed despite IMF objections in Washington last October after a two-year British initiative, were due to come into effect early this year, for the countries with the best economic records. But officials admit that none of the heavily indebted developing countries is now likely to benefit before the end of next year. Many will have to wait at least six more years.

According to Oxfam's calculations, this will mean Uganda making extra interest payments

amounting to six times its national health budget this year, or more than the cost of providing primary education for four children in every family.

A 12-month delay will cost Bolivia twice its health budget, or 17 times its planned spending on clean water and sanitation.

The heavily indebted very poor countries have the lowest human welfare indicators in the world, according to UN statistics.

The plan to reduce the burden of debt repayments has run into trouble because of a change of heart on the part of the US Government. It has decided to demand extra free market reforms along the lines of the "shock therapy" the IMF has put into practice in Eastern Europe as a condition of reduced interest payments.

This switch by its biggest shareholder puts those opposed to early debt relief in a majority on the Fund's board. The plan, pronounced a "done deal" by IMF managing director Michel Camdessus, last October, is now in danger of collapse.

British officials will continue to push for rapid implementation, but the general election campaign means no minister will be present in Washington for the Fund's mid-year meeting at the end of this month.

Sources close to Mr Clarke said he remained committed to seeing the debt package get through. Clare Short, shadow Minister for Overseas Development,



Second-class citizen: A child labourer in Bolivia. Health care, access to clean water and sanitation for the thousands like her is under threat. Photograph: Stuart Franklin/Magnum

ment, said: "The international financial institutions must not be allowed to renege on commitments to the world's poorest countries."

The World Bank is also keen to prevent a delay, its president, James Wolfensohn, has staked his reputation on doing a better job of alleviating poverty.

Officials at the two Washington-based institutions speak

privately of serious, "high level" tension between the Bank and the Fund.

The latest obstacles will not hold up a bigger debt relief package agreed by individual rich country governments with their impoverished debtors. But it is important because the IMF has tied its agreement to tough economic reform programmes.

Politicians in the debtor countries say that unless they get the extra relief as soon as possible, support for socially painful reforms could evaporate.

Oxfam warned: "The rest of the world will not be immune to the humanitarian and economic consequences of dealing with a growing number of Zaires, Liberias and Rwandas."

Tory Emu policy now in shambles

Anthony Bevins
Political Editor

John Major yesterday changed his position on the single currency so quickly that Michael Heseltine was unable to keep track. At one point yesterday evening, the Deputy Prime Minister angrily accused a BBC interviewer of gross distortion when she asked him about the latest, actual twist in the Prime Minister's thinking.

After Mr Major had announced that Tory MPs would be let off the leash with a Commons free vote on any future decision to go into a European single currency, Tony Blair derided the peace offering to a party "in a state of civil war". He said: "There are two Tory parties, and Mr Major appears to be in charge of neither of them."

The Labour leader writes in today's *Independent* that Mr Major is making policy up as he goes along. "A free vote on the issue of monetary union amounts to a government admission that they cannot agree amongst themselves."

He says that voters have no idea which of the two Conservative parties would make the decisions, if Mr Major was re-elected. "Will it be the party of Ken Clarke and Michael Heseltine, or that of John Redwood and Michael Portillo?"

The Prime Minister earlier opened another astonishing day of dramatic developments on his party's European policy by slipping out a hint that Conservative backbenchers might be given the Commons free vote on the question of single currency membership.

Answering a question at his morning press conference, Mr Major said that while such decisions were taken at the time, "on constitutional matters I don't rule out the question of a free vote amongst backbenchers in the House of Commons."

That hint of a free vote was

promptly welcomed by Eurosceptics and pro-Europeans alike. Kenneth Clarke, the Chancellor, told BBC Radio 4's *The World at One* programme: "I think it will help address the present difficulty."

The "difficulty", he explained, was that MPs were prejudging the issue, when the decision should be taken once the terms of entry had been negotiated - the Cabinet line that has been defied by ministers and candidates all week.

Mr Clarke revealed that he had not been consulted by Mr Major on the latest development of policy. "But that's because I've been out in the West Country," he said.

But that illustration of government decision-making was later capped by a row between Mr Heseltine and Charlie LePotter, his interviewer, on the BBC Radio 4 PM programme.

She wanted to ask Mr Heseltine about the free vote, but unfortunately she based her questions on the Prime Minister's latest statement - in which he had hardened up the press conference hint into a firm policy statement.

After a visit to Ellesmere Port, in the Wirral, Mr Major said: "It would be rather odd, would it not, to say you are going to have a referendum of every adult in the country, but then say backbench MPs are going to be dropped in a particular way. So clearly the same principle must apply to them."

But Mr Heseltine was unaware of that critical, further change in government policy, and he roundly berated Ms LePotter for "misquoting" "grossly distorting" and "exaggerating" what the Prime Minister had said.

The live broadcast caused some embarrassment at Conservative Central office last night. But officials emphasised that there was no disagreement between Mr Major and Mr Heseltine on the policy.

THE INDEPENDENT HARRIS POLL

Today's *Independent* Harris poll shows Labour maintaining an 18-point lead, with the narrowing of the gap from last week's 22 points well within sampling error.

Against a background of little movement in public opinion, the poll finds that 56 per cent think the election campaign is "boring" and will be glad when it is over, while 36 per cent said they were "interested" and trying to follow it.

Our findings are in line with the average of all five main polls, except that the Liberal Democrats are two points lower, despite a change as this week to remind people of their role in Harris's interviews.

But there is scope for movement. A quarter of voters (26 per cent) say they "may change my mind" in the next two weeks, with Liberal Democrats most likely to switch (45 per cent) and the Conservative vote softer than Labour's.

Thirty per cent of Tories "may change", against only 17 per cent of Labour supporters.

11 April % Now
Labour 52 49
Con 30 31
Lib Dem 12 13
Others 6 6

Harris Research interviewed 1,136 adults face-to-face in their homes between 11 and 14 April.

QUICKLY

Co-Op suspends pair
Whitgate surrounded the suspension of two senior executives by the Co-Operative Wholesale Society yesterday, amid suspicions that they were involved with Lomax Trust, which is seeking to buy parts of the business. Page 21; Comment, page 23

INSIDE

THE INDEPENDENT
election '97

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Scandal-hit Bibi says: I will not be removed

Patrick Cockburn
Jerusalem

Benjamin Netanyahu, the Israeli prime minister, was fighting tooth and nail for his survival yesterday, after the dramatic and unprecedented call by Israeli police for him to be prosecuted.

Mr Netanyahu will learn on Sunday if he and three associates will be put on trial for "fraud and breach of trust."

Mr Netanyahu insisted yesterday that he would not resign, despite the police recommendations revealed on Wednesday evening.

"We are not going anywhere," he told a crowd of supporters. "We are staying in place where the people and country put us, and we will continue to lead the people."

At the Likud party headquarters in Tel Aviv, he declared: "Don't let your spirits sink. Stand strong. The truth will be victorious."



Netanyahu: Insisted he will not resign

Even if he is not indicted, Mr Netanyahu may find it difficult to remain prime minister for much longer. A government minister was quoted yesterday as saying: "The status of the government and the status of the prime minister have been very seriously damaged."

Another said: "This could be the end of Bibi's [Mr Netanyahu's] career."

Even if the Attorney-General and the state attorney decide against indicting Mr Netanyahu, the case is likely to go to appeal, for the Supreme Court to reverse the decision.

Shimon Peres, the previous prime minister and the leader of the Labour party, described the move as "an earthquake in Israeli politics."

The scandal, known in Israel as the Bar-On affair, revolves around the appointment of an obscure Jerusalem lawyer called Roni Bar-On as Attorney-General in January.

Police say Mr Netanyahu, together with the head of his office and the Justice Minister, corruptly gave the job to Mr Bar-On so he would offer a plea bargain to Aryeh Deri, the leader of one party in the governing coalition, who is on trial for fraud and taking bribes.

The indictment of Mr Deri,

Tzahi Hanegbi, the Justice Minister, and Avigdor Lieberman, head of the prime minister's office, came as no surprise.

But the government was taken by surprise by the revelation that the police want to put on trial the prime minister himself.

Mr Netanyahu was publicly resolute. He met Dennis Ross, the US peace envoy, yesterday.

But nobody expects any progress in the already troubled peace process while Israeli politics are dominated by Mr Netanyahu's fight to survive.

Few would disagree with Hanan Ashrawi, a Palestinian minister, who said: "Until the situation is resolved, the peace process is certainly not going anywhere."

Mr Arafat said the political crisis is a domestic Israeli affair. But he is reportedly being briefed every hour on developments.

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Israel's Watergate, page 18

"One of the best independent films of the year...Turturro has never been better." Derek Malcolm, *The Guardian*

"Turturro gives a sensitive, engaging performance...Poetic, beautifully played, a real box of delights." Sarah Bailey, *Elle Magazine*

JOHN
TURTURRO

Some people have a
hard time unwinding.

A TOM DICILLO Film

BOX OF
MOONLIGHT



FROM FRIDAY APRIL 18TH

FROM FRIDAY APRIL 18TH AT SELECTED CINEMAS ACROSS THE COUNTRY

John Turturro

significant shorts

Canada grants sex-abuse victim, 12, refugee status

A 12-year-old British boy has been granted refugee status in Canada because of fears that he would be sexually abused if he returned to the United Kingdom. Canada's Immigration and Refugee Board ruled that the child, who has not been named, had been failed by the British authorities, who did not respond to his mother's pleas for help after he was abused by his father and paternal grandparents.

Canada grants asylum only to members of "a particular social group" with a well-founded fear of persecution in their homeland. It is thought to be the first time this has been ruled to cover a victim of sex abuse. Details of the decision, made on 15 January were published yesterday in Toronto's *Globe and Mail* newspaper, which obtained them under Canada's freedom of information laws.

The newspaper reported that the boy was born in the United States in 1984 and moved with his parents to Britain the next year. There he was sexually abused by his father and paternal grandparents until 1991. His mother sought assistance from the British authorities to no avail.

April showers fizzle out

Much of the parched South and East of England had their first April showers yesterday, but in most places it consisted of only a little light drizzle. Rainfall statistics for the past 50 years reveal that April is, on average, the driest month of the year despite its reputation for showers.

The exceptionally warm and dry weather has made many butterfly species appear on the wing up to a month earlier than normal, according to the wildlife charity Butterfly Conservation. The speckled wood, green hairstreak, grizzled skipper and dingy skipper are among early flyers.

Nicholas Schoon

Carpets fail to measure up

Carpet sellers are being threatened with prosecution for not complying with a European ban on measuring in yards. Trading standards officers investigated 20 carpet shops in Gloucestershire and found half were breaking the law by failing to use metric measurement.

BBC turns Hardy classic into drama



Thomas Hardy's novel *Tess of the D'Urbervilles* is likely to become the latest classic work to be turned into a costume drama. The BBC has commissioned writer Alan Sharp to adapt the classic tale of doomed love.

The Corporation is thought to be looking for a co-production partner – possibly from the United States – for the four-part, 240-minute project which could cost up to £4.5m. It is thought to be the first British adaptation of the Dorset-born writer's story and Mr Sharp was commissioned after his work on the film *Rob Roy*.

Hardy's 1891 novel was turned into a film in 1979 by Roman Polanski, who cast Nastassja Kinski (above) in the lead role.

Village cursed by plague of flies

Severn Trent Water has apologised to residents of a village hit by a plague of flies from its local sewage works. The *Sylvicola* larvae are routinely used at the treatment plant in Spaldon near Derby to break down the raw sewage – but don't usually get to hatch.

This year's early spring meant they reached adulthood before they could be killed off, causing havoc for the locals. "We did get it wrong on this one – and we apologise," said a Severn Trent spokesman, who stressed that the flies were not dangerous. "They do not bite and are not a health risk. They should have gone now, as they do not live very long."

Rail firm lets buses take strain

A privatised rail company plans to undercut a rival by switching some services to buses which will be run by the company which also operates the troubled South West Trains. It was claimed yesterday. The coach links will be provided on some Yorkshire and Lincolnshire services by Great North Eastern Railways, with SWT owners Stagecoach running the coaches.

However, the anti-privatisation group Save Our Railways said GNER's plans would hit rival company Regional Railways North East. If the plans were implemented this summer, the lobby group said that the cost of some journeys – currently made only by train – would be halved under the new proposals.

Randeep Ramesh

Animal ban for snake collector

A snake collector who allegedly ran a "dial-a-snake" business from his home was yesterday banned from keeping dangerous animals for 10 years and fined a total of £350. Ian Ramsden, 34, of Sutton, south-west London, pleaded guilty to 53 counts of keeping dangerous animals without a licence and was convicted on two charges of causing unnecessary suffering to an animal, at a two-day trial before Sutton magistrates. More than 60 deadly and dangerous snakes were found in the detached and unlocked garage of his suburban semi during a dawn raid by RSPCA officers and police, the court heard.

Ramsden was banned from keeping dangerous animals and fined £150 for not holding a licence. He was also fined £100 for each of the two offences of causing unnecessary suffering to animals, with £150 costs.

people



Elie Wiesel: His involvement will give the project moral authority (Photograph: AP)

Nobel winner takes leading role in Swiss Holocaust fund

Elie Wiesel, the concentration camp survivor and Nobel Peace Prize winner, is to take on a senior role in the management of a Swiss fund for Holocaust victims.

The World Jewish Restitution Organisation (JRO) wanted Mr Wiesel, 89, to head the fund, but its constitution specifies that that post must be held by a Swiss national. So in a move designed to appease both sides, Rolf Bloch, the highly respected president of the Swiss Federation of Jewish Communities, is to preside.

However, Mr Bloch last night said he was keen to find an appropriate role for Mr Wiesel, who would give the fund an added moral authority. And a Swiss government spokesman said the cabinet was willing to give Mr Wiesel "a position in the fund leadership commensurate with his personal standing".

Mr Bloch, a chocolate manufacturer, is a highly respected figure in the Swiss Jewish community. He has been a vocal critic of the Swiss banks and government. Mr Wiesel has been a vocal critic of the Holocaust denial movement.

Swiss banks and industries have so far pledged 185 million Swiss francs (around £72m) to the fund, which

was set up in the wake of international pressure on Switzerland over its treatment of Jews and their bank accounts during and after the Second World War.

Mr Wiesel was taken to Auschwitz from Transylvania at the age of 15. He lost his father, mother and sister in the camps and won the 1986 Nobel Peace Prize for exposing the horrors of the Holocaust in his writings and lectures around the world.

Elan Stahelberg, director of the World Jewish Congress in New York, said: "Elie Wiesel embodies the courage, pain and the suffering of the Holocaust survivors."

The Special Fund was given its legal basis at the beginning of March this year. The aim is to provide immediate help for needy victims of the Holocaust while searches continue into dormant accounts which may hold Jewish assets. Jewish organisations maintain that Switzerland owes the heirs of Holocaust victims direct compensation in assets and interest.

Although relations have improved between Switzerland and its Jewish critics, distrust still lingers – as shown by delays and misunderstandings in naming the Holocaust fund board members.

Louise Jury

Tough guy Arnie chooses to have heart operation



Arnold Schwarzenegger, Hollywood's action man and a former Mr Universe, is recovering in hospital after undergoing heart surgery to correct a congenital heart valve condition.

Although the condition had not caused the star any health problems, he was taking no risks and elected to have the surgery which was carried out on Wednesday, at an undisclosed hospital in the Los Angeles area.

The actor's spokeswoman, Catherine Olin, said he was expected to make a full recovery.

Schwarzenegger, who is married to television newscaster Maria Shriver, a niece of the late President John F. Kennedy, had the surgery to replace an aortic valve.

In a statement, the 49-year-old actor said: "I've never felt sick or had any symptoms at all, but I knew I'd have to take care of this condition sooner or later. I said to the doctors: Let's do it now while I'm young and healthy."

Schwarzenegger was born in Graz, Austria, and came to the United States in 1968 where he became a bodybuilding star, win-

ning more than 10 bodybuilding championships, including five Mr Universe titles. He retired undefeated as Mr Olympia.

After appearing in the 1977 documentary *Pumping Iron*, Schwarzenegger went on to star in a string of Hollywood blockbusters including *Conan the Barbarian* and *The Terminator*. His most recent film, *Eraser*, was a box office hit last summer.

He has also recently worked with the White House to promote good health and exercise.

His publicist said he was expected to rest after his surgery until the end of May when he will begin promoting his new movie, *Batman and Robin*, in which he plays the villain, Mr Freeze.

Matthew Brace

Madonna fuels Dietrich rumour

Madonna made a surprise visit to a London theatre last night, fuelling rumours that she wants to play film legend Marlene Dietrich in a new movie. Madonna, 38, watched her friend Sian Phillips play the Hollywood icon in the Lyric Theatre's production of *Marlene* and afterwards went backstage to chat to the Welsh-born veteran.

The millionaire singer arrived in Britain last Thursday and is house-hunting and writing songs. But she was determined to keep a low profile at the theatre and did not even visit the VIP suite during the interval.

A staff member said: "She wore a black top and was very dressed down. She certainly did not want to draw any attention to herself."

"She sat in her seat during the interval and looked quite relaxed and happy. Afterwards she went backstage with Shirley Bassey and spoke to Sian."

Marlene is set in a theatre in Paris during the 1970s and follows Dietrich's world tour, which began in 1953. Dietrich died in 1992 and was known to have followed a bisexual lifestyle.

Phillips was last seen in London as Madame Armfeldt in *A Little Night Music* which was also seen by Madonna at the National Theatre.

Madonna is with baby Lourdes and is believed to want her education in Britain.

briefing

HEALTH

Drinking is good for you, but only in moderation

Drinking is good for the heart, but only if the alcohol is taken little and often, a study has found. One or two drinks a day taken on five or six days a week reduces the risk of a heart attack by 70 per cent in both men and women. But binge-drinking, in which nine or more drinks are consumed on one or two days a week more than doubles the risk.

The findings, based on a study of 11,500 heart attack patients who were compared with 6,000 control patients, also shows that "drink holidays" – one or two alcohol-free days a week – are beneficial for health. People who drank daily were at higher risk than those who limited themselves to five or six days.

The authors, from the University of Newcastle, New South Wales, Australia, say the results may help resolve the dispute about whether drinking is good for health. Some studies have shown a benefit while others have not, but the reason may be that they have grouped together people with entirely different drinking habits, the they write in the *British Medical Journal*.

Jeremy Laurence

ENVIRONMENT

Wind farms blighting the landscape

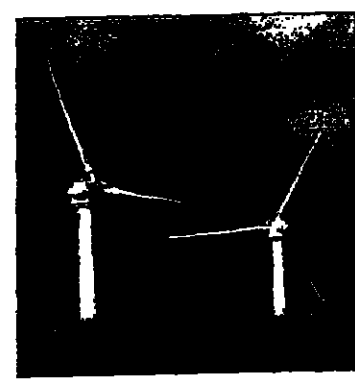
Britain's big increase in wind turbines is proving a blight on the landscape, a report by a countryside organisation claims. Developers are exaggerating the output of the new "green" power stations which are being allowed to proliferate with little control, says the Campaign for the Protection of Rural Wales.

It calls for much tougher scrutiny by local councils before turbine schemes are granted planning permission, saying that despite claims by wind power companies, stations are producing only about 25 per cent of their potential. A huge number will be needed to make any real contribution towards reducing atmospheric pollution.

The CPRW lists 30 "wind farms" in Britain, consisting of 643 turbines.

The installed capacity of a typical machine has doubled from 300kW in 1992 to 600kW in 1996, with an increase in overall height from just over 130ft (40m) to 200ft and more (60m).

Almost half the total capacity is in Wales. In England, locations have either been coastal (Cornwall and Cumbria) or on rolling moorland, as in the Pennines. Applicants for new sites are now targeting the Scottish Highlands, says the CPRW.



ROADS

Alzheimer's link to fatal accidents

At least one third of older drivers who die in car accidents have Alzheimer's disease, the degenerative brain condition which causes confusion, impaired judgment and bad co-ordination, according to a study. Scientists who examined the brains of 98 drivers over 65 who died in car accidents found signs of the disease in the area associated with judgment and co-ordination. The authors, from Huddings University Hospital in Sweden, say that 33 per cent of the drivers were definitely affected, with a further 20 per cent possibly affected.

Most people affected by Alzheimer's do not realise there is anything wrong with them in the early stages, and nor do their families. The authors, writing in the *Lancet*, say older drivers involved in accidents should have their cognitive performance tested.

Jeremy Laurence

GARDENING

Beware of hidden plant danger

It may look like a beautiful ornamental plant, but gardeners are being warned not to fall for a "wolf in sheep's clothing" – a plant that could be nothing but a ruinous weed. Gardening Which? says that some of the most destructive weeds are on sale in garden centres, masquerading as fancy plants.

Their true nature – long tough roots, rampant growth and propagation – may be disguised by colourful flowers, fancy foliage or a dwarf form. Many an unsuspecting gardener has been duped by an attractive plant, only to discover that it is in fact a variation on a weed they would never have knowingly introduced into their garden.

"No right-minded person would buy a pot of ground elder but plenty of people will happily part with their money for its variegated offspring, *Agropodium podagraria Variegatum* which, though less vigorous, still has weedy characteristics," said the editor, Alistair Ayres. "It's worth remembering that Japanese knotweed was originally brought into this country as an ornamental shrub. Today it is so troublesome that it is an offence to plant it in the wild except under special licence."

Other plants to take care with include *Persicaria virginiana* (Painters Palette), *Milium effusum Aureum* (Bowles' golden grass), yellow *meconopsis*, *Duchesnea* and *Trifolium pratense*.

Glenda Cooper

THE INDEPENDENT ABROAD

Area	Sub	Words	Price
Africa	30-40	Words	£5.00
Belgium	30-40	Words	£4.50
Canada	30-40	Words	£4.50
China	30-40	Words	£4.50
Denmark	30-40	Words	£4.50
France	30-40	Words	£4.50
Germany	30-40	Words	£4.50
Greece	30-40	Words	£4.50
Italy	30-40	Words	£4.50
Japan	30-40	Words	£4.50
Netherlands	30-40	Words	£4.50
Spain	30-40	Words	£4.50
Sweden	30-40	Words	£4.50
Switzerland	30-40	Words	£4.50
USA	30-40	Words	£4.50

OVERSEAS SUBSCRIPTIONS

Area	Sub	Words	Price
Africa	30-40	Words	£5.00
Belgium	30-40	Words	£4.50
Canada	30-40	Words	£4.50
China	30-40	Words	£4.50
Denmark	30-40	Words	£4.50
France	30-40	Words	£4.50
Germany	30-40	Words	£4.50
Greece	30-40	Words	£4.50
Italy	30-40	Words	£4.50
Japan	30-40	Words	£4.50
Netherlands	30-40	Words	£4.50
Spain	30-40	Words	£4.50
Sweden	30-40	Words	£4.50
Switzerland	30-40	Words	£4.50
USA	30-40	Words	£4.50

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هتكتا من الأصل



Gold dust: John Willan, the director of BBC Worldwide Music, displays one of the many classics he has uncovered in the archives of the Corporation's Bush House basement Photograph: Philip Meech

The BBC lollipops: treasure trove of great classics found in radio archives

David Lister

Scores of live recordings by the biggest names in 20th century classical music have been uncovered by the BBC, *The Independent* has learned.

Some of the tapes, going back over 50 years, have stunned the Corporation's music experts. While individual producers knew of the existence of the performances they supervised, this is the first time the treasure of live performances has been examined as a whole for eventual release.

Among the live performances being studied by BBC Worldwide Music, part of the commercial arm of the BBC, are the first ever broadcast (in April, 1943) by violin virtuoso Yehudi Menuhin playing Brahms' violin concerto conducted by Sir Adrian Boult, and Vaughan Williams conducting his own fifth symphony.

These are just some of the astonishing catalogue of names and performances: Benjamin Britten will be the first artist to be put out on CD later this year. The BBC archives contain his Aldeburgh recitals with the Russian pianist Richter and Britten conducting Dido And Aeneas.

The late cellist Jacqueline Du Pré was captured performing Elgar's Cello Concerto for the Proms in 1964 conducted by Sir Malcolm Sargent.

There are a huge number of recordings of Dame Janet Baker, including a performance of the opera, *Orfeo*.

There are tapes of Herbert Von Karajan with both the Berlin and Vienna Philharmonics, and live concerts featuring Stravinsky, Toscanini, Rubinstein, Henry Wood, Klaus Tennstedt, Stokowski, William Walton, David Oistrach and many others.

The re-discovery of the treasured tapes in the archives, and the decision to release them by John Willan, the director of BBC Worldwide Music, has a complicated history.

In 1990, the BBC set up a joint venture with businessman Monty Lewis, head of Pickwick Records, to market some of the Corporation's classical archives. Union agreement was reached that the musicians at the original sessions be paid royalties rather than session fees (which will now prove a great saving to the BBC) and 100 discs were issued on Pickwick.

However, the way these were packaged did not greatly please the music experts in the Corporation. Worse, Pickwick later merged with Carlton and the BBC were faced with discs of some of their archive material bearing the logo of a rival broadcasting company.

Last week, agreement was reached with Mr Lewis that the BBC acquire his shareholding, and regain control over its own archives - archives that have never been systematically collated for record release until now.

It is clear that most of the greatest performances of the century at the BBC - including all the ones listed above - were never issued by Pickwick and are now being gathered from archives in London, Manchester, Glasgow and Northern Ireland, and made ready for release.

John Willan, who took over at BBC Worldwide in 1995 after running the London Philharmonic Orchestra, said yesterday he was stunned by the wealth of material that had been uncovered.

"It is hugely exciting, and the more we look and the more we examine these archives, I am quite sure we will find much more in cupboards and corners. Working closely with our colleagues in the record industry, we will be able to release many of the great live performances that were done for Radio 3 and the former Third Programme over many years."

The BBC now expects key charismatic performances originally made for the *Third Programme* to be the classical music equivalent of *The Beatles Live At The BBC*. The CD of The Beatles' BBC sessions made the Corporation over £1m in 18 months.



Masterpieces: Cellist Jacqueline Du Pré, above, and the composer Benjamin Britten, below, are among those whose live performances have been re-discovered by the BBC



Official film gems are sold

Paul McCann
Media Correspondent

Drive Carefully Darling starring Frank Rough and former Doctor Who? Colin Baker might not sound like a lost film classic to you or me, but to television companies it and 12,000 other gems of low-key British propaganda are a goldmine of nostalgia waiting to be mined.

A contract to manage the Central Office of Information's archive of Government-made films has been won by Film Images Ltd.

Ironically one of the films passing into the private sector contains an icon of the radical 1945 Labour government - cycling Charlie. Charlie was created by the left-wing animators

Halas and Batchelor to introduce the welfare state to the public. The films are classic examples of the art of propaganda utilising the clean lines and design aesthetic of the post-war modernist movement.

Other gems from the austere Forties include the risqué-sounding *Five Jack Bather* which was made to encourage fuel conservation and *Designing Women* starring Joyce Grenfell advising new wives on home decoration.

The archive also includes films from the Colonial Film Unit which in the Fifties spread the British way of life to the colonies. While other Empires tried to force religion, ideology and language on their colonies, Britain made a film

called *Journey on a London Bus*. This, in a brilliant summation of the British psyche, tried to export good manners and queuing etiquette.

By the Seventies the COI was making public information films for television, of which *Drive Carefully Darling* is just one. The films speak of a time when governments believed they could intervene for the better in society.

Television, Internet, CD-Roms and magazines have created a booming market in footage of all kinds and Film Images is convinced the COI archive will be in big demand. The company will pay a royalty to the Government for use of the archive, but copyright remains with the COI.

Einstein's theory of relativity may be only relative

Charles Arthur
Science Editor

Einstein's theory of relativity is a brilliant piece of work, which showed that it doesn't matter where you are in the universe, or what speed you're travelling, because all frames of reference are equally valid. The trouble is, it seems to be wrong.

That at least is the conclusion of a Norwegian researcher at the University of Rochester, New York, who has spent the past four years analysing radio waves from distant galaxies up to 7 billion light years away.

Borge Nodland found that some of the radio waves had been "twisted" as they crossed the universe but that others, from equally distant galaxies in other parts of the universe, had not.

The finding suggests that the universe really has an orientation, in which some directions really are more important than others for observing this effect. "Our observational data suggests that there is a mysterious axis, a kind of cosmological North Star, that orients the universe," said Professor John Ralston who worked with Dr Nodland in the study. "A simple interpretation of what we found is that light may travel at different speeds due to some interaction."

That, though, would throw down the gauntlet to theories about electromagnetism and especially relativity which have stood repeated tests. These state that light and other electromagnetic waves always travel at the same speed in any frame of reference, regardless of the velocity of the observer, and that the universe has no centre or direction of movement.

The new calculations, reported in next Monday's issue of the journal *Physical Review Letters*, followed computer analysis of results published by other radio-astronomers in previous years. After subtracting the effects of intergalactic radiation, which can also twist the radio waves, they found a residual rotation. "It depended just on the direction of travel of the radio wave, and the total distance travelled," said Dr Nodland. "It's greater when it's travelled a long distance."

However, he thinks that this may not be the death knell for relativity. "I think the theory can be extended, though we would have to investigate whether it can explain this," he said.

What about the other possibility - that his work was wrong? "I'm really confident about the analysis of the data," Dr Nodland insisted.

The basic elements of life on Earth may have been created by lightning strikes reacting with particles from comets in the atmosphere, according to new research by NASA scientists. Their research, published today in *Science*, found that a methane-rich atmosphere like the early Earth had could interact with the molecules found in comets to produce amine groups - the precursors of amino acids, which are in turn the building blocks of proteins.

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news

My blueprint for saving the worst school in Britain

New head plans to transform Ridings School

Lucy Ward
Education Correspondent

The troubleshooting assistant headteacher parachuted into the Ridings School in Halifax after a discipline crisis was yesterday appointed as the school's permanent head.

Anna White, brought in from a neighbouring comprehensive as associate head of the West Yorkshire comprehensive last October, said that after six months helping restore order she "could not bear to walk away".

In an exclusive interview with *The Independent*, she described the school's atmosphere as "infectious" and insisted she wanted to stay "to see the green shoots of success flourish, as I firmly believe they will".

Ms White and acting head Peter Clark, on loan from another Calderdale comprehensive, were put in joint command of the Ridings after teachers threatened to strike over "un-teachable" pupils.

Headteacher Karen Stansfield resigned and the school was temporarily closed following reports of assaults on staff before facing a highly critical inspection by the schools watchdog Ofsted.

Since then, monthly reports by government inspectors have recorded steady progress, and the school this week won the regional final of a youth drama competition with a dance performance expressing pupils' frustration at their vilification by reporters camped outside their classrooms last autumn.

Ms White's appointment came a day before the submission by Calderdale council of an emergency education action plan to Gillian Shephard, the Secretary of State demanded the plan after the Labour-controlled authority came under fire in a damning report by Ofsted on its education service in the wake of the Ridings crisis.

The plan includes a proposal for a major school improvement project to be launched throughout Calderdale. It will aim to increase progress made by all pupils and will cover both exam success and issues such as attendance and motivation. There will be an urgent consultation with headteachers to establish priorities and a survey of secondary school students to establish how they feel



Staying on: Ridings head Anna White - 'Period of continuity and commitment needed' Photograph: Asadour Guzelian

they learn best. In answer to Ofsted criticisms that it possesses too little information about pupils' achievements, the education authority proposes to keep much tighter checks

through a new database. The authority also proposes a series of methods to re-establish communications, including appointing two teacher representatives to its education committee.

Ms White, 42, who began her teaching career 17 years ago in Bury, Greater Manchester, said she would have hated to walk away from the Ridings without having seen through the

changes she had helped set in motion. "Order has been restored for a long time now and behaviour standards and staff and student morale have improved dramatically," she said.

"What is needed is a period of continuity and commitment."

The key priorities were now to continue efforts to raise teaching and learning standards at the school where, inspectors found, more than two-fifths of lessons were unsatisfactory and a religious education lessons for GCSE students consisted merely of drawing a church.

A further challenge for the new head will be the raising of pupil numbers, though the

school's roll has stayed surprisingly steady in the wake of its discipline crisis. Of 108 pupils allocated a place for next year, only 15 have appealed and moved elsewhere.

The hardest task for Ms White could prove to be the restoration of confidence for pupils and staff after the school's very public humiliation. She admitted: "We need to raise their self esteem and convince them that they will not be stigmatised by their experiences."

But she added: "It is an infectious place, once you are here you want to stay. This is a job that is certainly never boring and where you feel you are really achieving something."

A bad report ...

25 August 1996: Sarah Taylor, 15, is expelled for a violent attack on a teacher.
3 September: Sarah Taylor returns to class after being reinstated. But 31 members of the NASUWT union vote to refuse to teach her.
22 October: Head girl Karen Stansfield resigns.
28 October: School inspectors arrive after being sent in by the Secretary of State for Education, Gillian Shephard.
7 November: Calderdale council closes school after reports of attacks on teachers.
5 November: Peter Clark, temporary head teacher, expels 12 pupils and suspends another 23.
8 November: School is given three weeks to clear up its problems of indiscipline and underachievement or face being taken over by the Department for Education.
17 December: Ofsted inspectors reveal that the school is failing.

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Muggers stalk the super-rich

Carlton TV chief is latest victim of gangs who lie in wait for the wealthy



Victims of crime: Mr and Mrs Michael Green (left) and Bernie Ecclestone and his wife, Slavica, after he was beaten by robbers



Photographs: Alan Davidson/Absolute



Where the attacks happened

Jason Bennetto
Crime Correspondent

A gang of robbers is targeting the super rich in London and are believed to be responsible for up to 16 attacks in which hundreds of thousands of pounds of jewels have been stolen.

It is understood that Scotland Yard have been tracking the team of criminals since Christmas although they are believed to have been carrying out assaults since June.

In most cases gang members have followed their targets and robbed them, often at knife point, as they reach their homes. The robbers cruise expensive areas of London on the look-out for rich-looking

people with valuable jewellery, clothes and cars.

The latest incident involved Michael Green, the chairman of Charlton Communications, who was stabbed by a mugger at the garage of his home in Mayfair.

Mr Green was slashed across the face and hands and his wife Tessa's £1,000 necklace was snatched along with £500 and some credit cards during the attack on Tuesday night.

Other cases bearing similar hallmarks include Lady Weidenfeld, the wife of one of Britain's leading publishing tycoons, who was attacked and robbed of £100,000 worth of jewellery outside her Chelsea flat, on the Chelsea Embankment in February.

Lady Weidenfeld, 51, the

fourth wife of Lord Weidenfeld, chairman of publishing company Weidenfeld and Nicolson, was not harmed.

Last July Bernie Ecclestone, president of the Formula One

by two men as they got out of their car near their home in London's Chelsea Square.

The assailants stole Mrs Ecclestone's ring, valued at between £600,000 and £700,000.

It appears to be a gang of robbers targeting anyone with an expensive car, watch or jewellery

Constructors' Association, was beaten up when he tried to shield his wife from two robbers who lay in wait outside their home.

Mr Ecclestone, 65, and his wife, Slavica, were approached

A month earlier Helen Moran, wife of Christopher Moran, one of Britain's wealthiest men, was attacked in the underground car park of her Chelsea home. The gang took her handbag and a £15,000

Rolex watch and threatened her twin eight-year-old sons.

In another attack a couple had £50,000 worth of jewellery snatched outside their home in Hampstead, north west London, after being threatened by two men with a knife.

Yet more people have been targeted in the wealthy areas of Park Lane, Belgrave, and St John's Wood, in central and west London.

A police source said: "It appears to be a team of robbers who simply set out to look for anyone with an expensive car, clothes, or jewellery, and follow them home then rob them at knife point."

"We are looking at a series of linked attacks - up to 16."

"It's difficult to know how

long they have been operating because they probably switch from one type of crime to another."

There are believed to be at least ten members of the gang.

Violent crime in London rose sharply last year with assaults and other offences involving violence against people jumping by 28 per cent. Robberies including mugging leapt by 11 per cent.

Meanwhile Michael Green, the television executive, has returned to work two days after his attack.

The robbery happened as Mr Green and his wife were returning home in their blue Rolls-Royce Corniche. Mr Green drove into his garage, but as soon as he got out of the car

three men ran inside and threatened them with a 12in knife.

Detectives believe the robbers were filmed on the security camera. The video shows the Greens' Rolls-Royce arriving at their Mayfair home at around 10.15pm on Tuesday. Moments later, a dark blue BMW 5 series is seen coming into view.

Police later said they were hunting three black men, who wore dark clothing and balaclavas, in connection with the attack.

Detective Superintendent Brian Edwards, of the Metropolitan police major investigation squad, who is leading the inquiry, said the suggestion that a single gang was targeting the rich was "pure speculation".

Mrlearned friend, the master of the rolls

Claire Garner
and Becky Lloyd

The High Court descended into toilet humour yesterday, as Andrex defended its reputation as the tissue with the softest touch.

Bundles of pink, blue and white lavatory paper decorated the witness box and the judge, Mr Justice Laddie, kept some to hand for closer inspection. Only the trademark Labrador puppy was missing.

"My Lord, it's a passing of motion," began David Young QC, counsel for the manufacturers Kimberley-Clark, with apparently no reference to bowel movement.

The case concerns an advertising gimmick dreamt up by Nouvelle paper, made by Fort Sterling, which has a 3 per cent



share of the market. By way of promoting its improved, recycled paper as the softest on the market, Nouvelle is offering a free roll of its rival, Andrex, to any customer who disagrees. The offer is due to appear on packaging and feature in a series of television advertisements starting next week.

When shown Nouvelle's packet, which includes a yellow band with the words "Softness guaranteed (or we'll exchange it for Andrex)", three times as many of the 500 interviewees associated the product with Andrex, according to Mr Young.

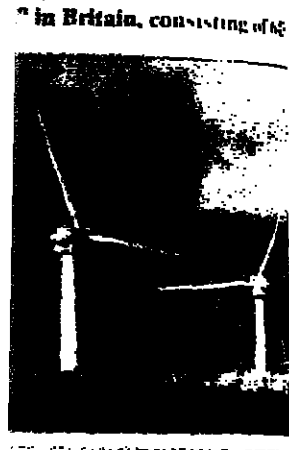
Unwrapping a roll in order to examine it, the judge said that without having the two brands side by side, most people sampling Nouvelle, "won't realise how they've been cheated from having the even softer feel of Andrex".

The case continues today.

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news

Prisoners abroad: As a trafficker is told she can return to Britain, lawyers fight for the life of a convicted murderer in the US

Drugs smuggler swaps Bangkok cell for Holloway

Jason Bennetto
Crime Correspondent

A British teacher jailed for 25 years in Thailand for heroin smuggling is expected to be released on parole in about six years' time after being allowed to serve the remainder of her sentence in a British prison.

Sandra Gregory, 31, will be transferred from her Bangkok cell to Holloway Prison, London, in the next eight to 10 weeks, after the British and Thai authorities agreed the move.

Family and friends of Gregory, who is from Sowerby Bridge, West Yorkshire, yesterday said they were delighted. Gregory has already served four years and two months of her sentence at the notorious "Bangkok Hilton" jail.

She is the sixth British citizen jailed in Thailand to be granted permission to complete their sentence in the United Kingdom under a treaty agreement.

She was arrested at Bangkok airport with Robert Lock, from Cambridge, in February 1993, as the pair were about to board a flight to Japan. Gregory, who was found with 102 grammes of her-

oin in her possession, pleaded guilty but told the court Lock had paid her to smuggle the heroin out of Thailand.

Mr Lock was found not guilty last year. A British embassy official testified that Thai officials had been tipped off that he was a trafficker, and searched Gregory only because she checked in with him.

Gregory was jailed for 25 years for heroin smuggling in February 1996. An original death sentence was commuted because she had confessed.

Under Thai law, Gregory could apply to be repatriated to serve the remainder of her sentence after a minimum of four years. She made an appeal for repatriation last May.

Under British law, a convicted prisoner is eligible for parole after serving half the sentence, therefore Gregory can apply in about six years. She is likely to be successful providing she is not considered a danger to society.

She will initially be held at Holloway Prison where she will be assessed and categorised. She will then be able to apply for a move to a prison nearer to her family and friends.

Jackie Cox, of the Friends of Sandra Gregory group, said: "We are absolutely delighted, it's great news. It seems strange to be celebrating the fact that someone is coming into Holloway Prison to serve probably six years."

She added: "She is not having her sentence cut, that's quite clear... It is a humanitarian move which allows for a prisoner to move closer to their family."

But the mother of Robert Lock, who was cleared of assisting Gregory, said she still felt bitter against the prisoner who she claims falsely implicated her son. She said: "I don't think anyone who is human would be overjoyed, do you? How would you answer that if it was your son?"

"It's very difficult but I really am more interested in a few other male prisoners out there who don't have the benefit of a private lawyer as she did."

But she added: "She's served her sentence, she's been punished. She was only carrying three ounces of heroin, and she was punished far more harshly than in this country. What is the point of keeping her in? She's not likely to reoffend."



Coming home: Sandra Gregory in her Bangkok cell. She has served four years and two months of a 25-year sentence for heroin smuggling. Photograph: AP

Behind bars in foreign prisons

Under Thai law, a foreign prisoner who has served a certain time can apply to be repatriated to serve the rest of the sentence. The number of years already served varies, according to the charges. There are at present 1,879 British citizens in foreign jails either awaiting trial or having been convicted of a crime. There are about 30 in Thai jails, mostly on drug offences. A 50 per cent of those have been returned to British jails, under treaty agreements with 39 countries. Under British law, a convicted prisoner is eligible for parole after serving half his or her sentence.

Lawyers seek state aid for Briton on death row

Patricia Wynn Davies
Legal Affairs Editor

Four of Britain's most senior lawyers yesterday called on the Government to fund a last-ditch appeal that could clear a British businessman awaiting execution on Florida's death row.

Making the plea for Krishna Maharaj, a former leading British racehorse owner, Robert Owen QC, chairman of the Bar Council, said his conviction for double murder was "extremely disquieting... there are real doubts about this man's guilt and there is no doubt at all about the manifest unfairness of the trial process."

Maharaj, 58, has protested his innocence from the moment of his arrest for the killings of Derrick Moo Young, 33, and his son Duane, 23, in a hotel room in Miami in 1986. He was sentenced to death for the killing of the son by a seven-to-five jury verdict.

After startling irregularities during the trial and appeal processes, Maharaj languished on death row facing the prospect of the electric chair until two British QCs, Philip Sapsford and Geoffrey Robertson, providing their services free, persuaded the Florida Supreme Court a year ago to order a fresh evidentiary hearing to review his appeal.

The three QCs were joined yesterday by last year's Bar



Krishna Maharaj: Last plea

Council chairman, David Perry-Davey QC, the Conservative MP Peter Bottomley, and Maharaj's daughter, Christina Nandall, 35, and his son, Chris Tasker, 31, to protest against the Foreign Office's refusal to provide funds for forensic ballistics and other investigations prior to the hearing on 16 June.

Following questions raised in the Commons about the case by Mr Bottomley in January, Liam Fox, a junior foreign office minister, insisted in a letter to the MP that the Capital Collateral Representative (CCR), Florida's assistance scheme for foreign nationals on death row, would provide representation. But a letter on the same date from the CCR informed Maharaj's American attorney that it lacked the staff and resources to take on any more clients.

Maharaj was born in

Trinidad, where his brother is Attorney General, but lived in London from 1980 to 1986, becoming a millionaire from a fruit importing business.

He has always admitted he was in the hotel room but claimed he was lured there by a man who failed to show up. He was convicted largely on the evidence of Neville Butler, a former employee who testified for the prosecution in return for immunity.

Maharaj had no obvious motive for the killings - the victims were former business associates from whom he was expecting to receive damages for a breach of contract.

By then he was running a newspaper for Miami's West Indian community. Having lost most of his money he could only hire a lawyer for a week.

The lawyer failed to call Maharaj as a witness in his own defence or challenge the expert evidence, or object to the judge's insistence on keeping the jury sitting until late at night.

Halfway through the trial, the judge was arrested on charges of accepting bribes in other cases, but the lawyer failed to object when another judge took over the case instead of ordering a retrial.

The company that insured the dead men later found they were probably the victims of a drug-related assassination.

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Wheeze for importing cut-price cigarettes gets the Death sentence

Simon Reeve

Customs & Excise breathed a huge sigh of relief yesterday after a company threatening the government's £9bn-a-year revenue from domestic cigarette sales lost a crucial round in its European legal battle to import cheap tobacco into Britain.

The Enlightened Tobacco Company (ETC), the maker of Death cigarettes, had bypassed excise duties by acting as an "agent" for British customers and importing cigarettes from European Union member states which have lower taxes. It was able to offer cigarettes for sale at up to 40 per cent less than competitors' prices.

After a High Court case went against the company in 1995 and prevented it from trading, ETC took its argument to the European Court of Justice. The case may have led the way to companies across Europe supplying cheap tobacco, alcohol and other luxury goods. Nine mem-

6 An alternative ruling would have been a major blow to newsagents and off-licences

ber states, including Germany and Italy, were so fearful of losing billions in tax revenue that they submitted evidence in support of United Kingdom Customs & Excise to the court.

Yesterday morning an interim decision from the Advocate General of the court ruled ETC's scheme illegal. Although this "opinion" is not final, and the Court could pass a different decision in the autumn, it is unlikely to do so and ETC admitted it has a "snowball's chance in hell" of starting its "mail-order" scheme again.

ETC introduced the scheme, which exploited a loophole in European law, in response to the lifting of trade barriers. By buying cigarettes in bulk in Luxembourg, ETC was able to offer Britons who ordered through their agent, called "the Man in Black", up to 800 cigarettes at massive savings.



Up in smoke: BJ Cunningham, head of ETC, fighting up in London yesterday after the EU court ruling Photograph: Nicola Kurtz

They argued that an agent acting on behalf of a "private individual" was acting lawfully and under European law. Threatened with losing billions in revenue, Customs disagreed, and impounded a consignment of ordered cigarettes at Dover on the grounds that duty was payable in the UK because the cigarettes were not deemed to be a personal import.

The case hinged on the interpretation of the word "them" in an

EC directive which states people can buy some goods free of excise when the goods are acquired by "private individuals for their own use and transported by them". The ETC agent, who takes a commission from each sale, was arranging transport and organising payment of the retailer and carrier.

The Commission said it interprets its own law as allowing an agent to act on behalf of an individual as long as the agent does not make a profit.

ETC, however, was founded by a group of young entrepreneurs who saw that they could make a profit from saving British smokers money. BJ Cunningham, its snappily dressed chairman, admits he is extremely disappointed by the decision.

"It seems that the Advocate General does not believe in the first principal of European Union - 'The freedom of movement of goods and people'," he said.

"All Europe offers is straight bananas and Euro-babble. We are gutted."

Customs & Excise, in contrast, were delighted. An alternative ruling "would have been a major blow to all the retail trade - particularly people like newsagents and also, some off-licences," said Mark Thomson from Customs, who put the possible loss of revenue at £2bn a year.

Mr Cunningham, however, is

"bloodied and unbowed" and has another business wheeze. He wants to offer Britons the two-in-one cigarettes he is already selling in Holland.

The cigarettes are subject to normal tax duties, are extra long with a filter in the middle so that they can be split to make two cigarettes. If Mr Cunningham gets his way, he will soon be selling 40 of the cigarettes for the same price as a pack of 20.

Packing up: Two-in-one cigarettes, (above), which are sold in Holland, and (below) ETC's Death cigarettes the sale of which in Britain prompted the European decision



Docklands bomb suspect questioned

David McKittrick
Ireland Correspondent

A man from South Armagh was yesterday flown to London from Northern Ireland for questioning by Metropolitan police detectives investigating last February's IRA bombing of London's docklands. Two people died in the attack, which caused widespread damage. The bombing signalled the end of the IRA's 17-month ceasefire.

The man, who has not been named, is from the border village of Cullyhanna and was taken to Paddington Green police station. He was one of a number held by police and troops following a large-scale security operation in the area last week.

In another sequel to last week's operation, three men appeared in a Co Down court charged with a series of terrorist offences. One of them, Martin McGinn, was charged with three murders, including that of Lance-Bombardier Stephen Restorick, who was killed in a sniper attack at a checkpoint in the Co Armagh village of Bessbrook in February.

Mr McGinn, 39, from Castleblaney in the Irish Republic, was also charged with the murders of Lance-Bombardier Andrew Garrett, who died in a similar attack in December 1993, and of former UDR soldier Gilbert Johnston who was shot dead in South Armagh 19 years ago.

Michael Caraher, 30, from Cullyhanna in South Armagh, was charged with the attempted murder of an RUC constable who was injured in a gun attack last month.

Together with Martin Mines, 28, from Glassdrumman Road, Crossmaglen, the two men were also charged with conspiracy to murder, membership of the IRA, and possession of a Barrett bolt-action rifle, an AKM assault rifle and ammunition. Appearing separately in court, they were all remanded in custody until 7 May.

In 1990 Michael Caraher was seriously injured and his brother Fergal killed in an incident when troops opened fire on a car. Two Royal Marines were later acquitted on a charge of murdering Fergal Caraher.

Mr McGinn appeared in the dock with his hands handcuffed behind his back until the magistrate ordered his arms should be freed. His face appeared bruised and his defence solicitor listed injuries he alleged had been inflicted by soldiers.

The solicitor said he had been injured on the nose, the right ear, the head, both eyes, the right shoulder, the right arm and the lower back and knees. An RUC detective-inspector said that when Mr McGinn was apprehended there was a struggle, but he could not comment on whether he had any injuries before then.

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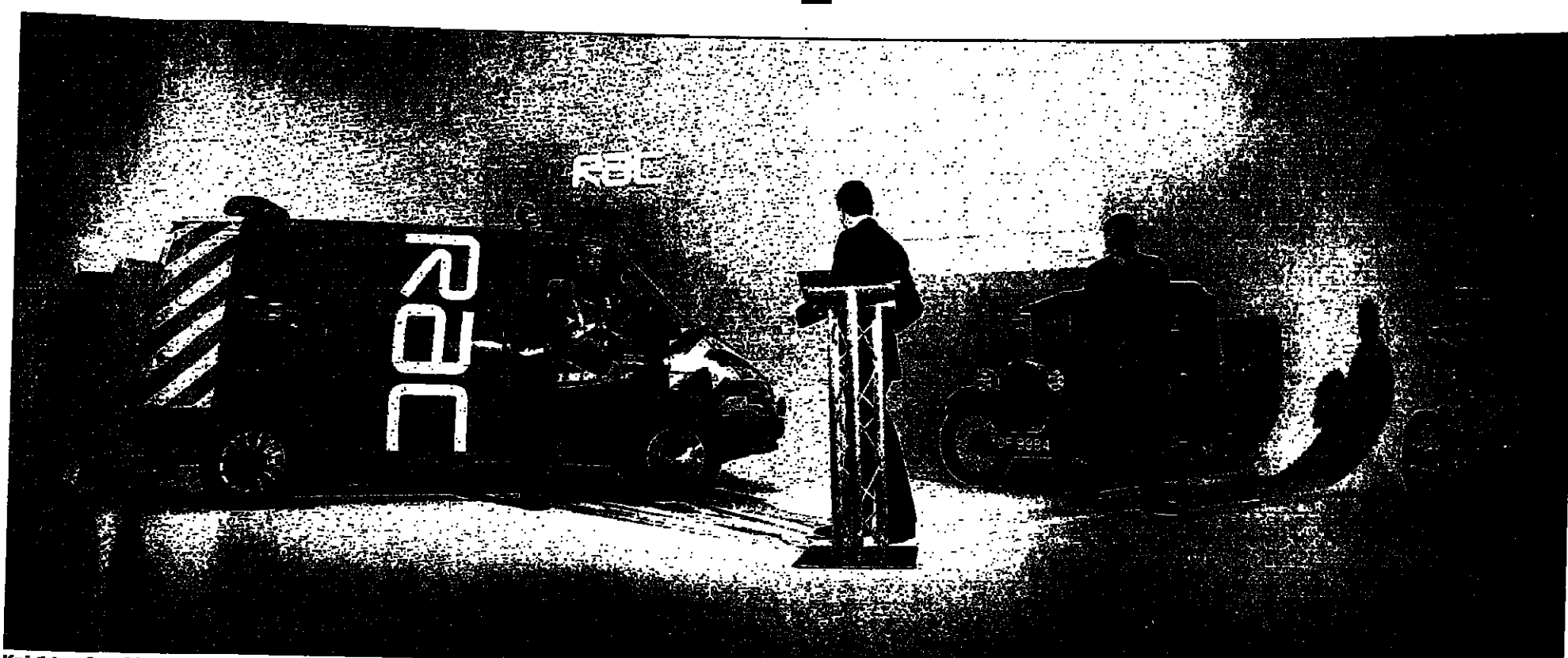
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RAC puts on cycle clips for the future



Motorist's friend: RAC logos from 1897 (top)



Knights of mobility: The relaunched RAC will focus on all forms of transport, not just motoring, and offers cyclists insurance cover

Randeep Ramesh
Transport Correspondent

After a century of championing the car, the RAC relaunched itself yesterday with a pledge to not promote the motorist at the expense of public transport.

The radical rethink will see a new approach, new colours and a new type of member – the cyclist. Now keen to promote all

forms of transport, not just motoring, the RAC said it was offering special bike insurance cover.

Bicycle legal protection will cover claims for personal injury and uninsured losses such as damage to bicycle or clothes due to accidents. The annual cost will be £6 for an RAC member and £10 for a non-motoring member.

The move will also see the

club drop the crown from its logo, which was last changed 30 years ago. "It was a decision taken in the light of the RAC's new position – which will last for the next century," said Neil Johnson, the organisation's chief executive.

Asked if this meant the organisation envisaged the monarchy ending during the 21st century, Mr Johnson replied: "Not at all. I'm ab-

solutely certain that both the monarchy and the RAC are set to carry on."

"The Palace was consulted and I understand the Queen was very pleased with the result," said Mr Johnson.

Despite the changes, Prince Michael of Kent will remain the RAC's president.

The makeover will extend to the organisation's characteristic patrol vans. The RAC's tra-

ditional colours – red, white and blue – are to be shed in favour of a fluorescent orange and white stripes and chevrons which will cover the 1,500 patrol vehicles.

Other changes include a £25 non-callout discount after a successful pilot scheme earlier this year.

Members have £25 knocked off the annual subscription if they do not use the RAC's

roadside assistance service during the year.

The motoring organisation, which represents 6 million drivers, has gradually been moving away from lobbying for the motor car. Earlier this year, it produced a remarkably frank critique of the effect of the motor car and called for a "massive investment in public transport".

At the time Mr Johnson startled the motoring world by saying that the RAC "champions mobility, not the motorist".

Yesterday directors went further. "We feel that some of the £24bn of taxes raised from the motorist should be used to improve transport in Britain," said David Worslett, director of public affairs and a former head of safety at the Depart-

ment of Transport. "We have seen no major response from government in the last few years – which have seen increasing congestion and high pollution levels."

"Regrettably we have seen little in the manifestos that promises much for the future."

The new moves flow into flak from some headline motorists' clubs.

"It is symptomatic of the fact that motoring organisations are losing sight of their members' concerns," said Brian Gregory, a spokesman for the Association of British Drivers, which claims to represent "thousands of motoring enthusiasts."

"This has been compounded by a lot of false concerns spread by environmentalists."

Britain joins dirty men of Europe

Nicholas Schoon
Environment Correspondent

The Government is among the laggards in European moves to make cars and their fuels less polluting, says Friends of the Earth. The green pressure group's opinion is based on a leaked confidential European Union report.

The document, summarising the negotiating positions of the 15 EU states, shows Britain has not joined a group of northern European countries, including Germany and the Scandinavians, in pressing for the fastest rates of curbing fumes.

Instead Britain always takes the other side, joining with poorer southern European countries like Greece and Spain, with Ireland and sometimes with France in worrying about the economic damage done to the motor and oil industries and to consumers by too fast a rate of progress.

Friends of the Earth said the report "shatters John Major's claim that the Government's air quality policies make Britain the 'Clean Man of Europe'."

Roger Higman, FoE's transport campaigner, said: "The UK is in the more reactionary group of countries. The Danes, Germans, Swedes, Austrians and Finns are the real clean men of Europe."

But a source inside the European Commission said Friends of the Earth was being unfair in portraying Britain as always siding with the poorer, southern European nations against the northerners. "The UK and France often act as the fulcrum between these two groups."

Ministers from the 15 EU states are negotiating two new sets of laws proposed by the Commission covering improvements in fuel quality and car exhaust standards up to 2010.

They are due to meet in June, but before the two directives are finally agreed and adopted agreement also has to be reached with the European Parliament. So the directives are not expected to become law until well into next year.

In the cars directive the commission proposed exhaust standards to come into force in 2000, with still tougher standards for 2005 – but these would only be "indicative" and not firmly decided on until a review next year.

According to the document, seen by *The Independent*, Germany, Austria and the Scandinavian countries wanted the 2005 value to be set now, but Britain sided with Ireland, France, Spain and Italy in judging this "inappropriate".



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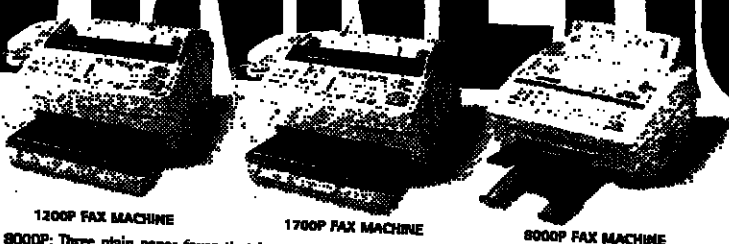
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election '97

Blair slices £100m from NHS red tape

Anthony Bovens
Political Editor

Tony Blair yesterday committed £100m to an improved service for the diagnosis and treatment of breast cancer.

The Labour leader told an election press conference on the National Health Service that the party planned to divert savings from cuts in red tape and bureaucracy into patient care, and the first £100m saved would

help to treat an extra 100,000 patients.

Of that extra money, he said, £10m would be invested in the breast-cancer programme. Mr Blair said that 300,000 women a year were currently being referred to breast clinics with suspected problems; 30,000 were diagnosed as having breast cancer, and 15,000 women died from the disease each year.

But he added: "The variation in standards of care and treatment are not acceptable. Many clinics cannot provide an appointment for an urgent case within a week. Only a third of breast clinics are able to give women the results of tests the same day. We will create a nationwide network of one-stop teams for breast-cancer diagnosis, so that all tests can be done on the same day. We will end the agony of waiting, and equip each team to provide specialist information and support."

Health spokeswoman Tessa Jowell said: "It is a massive shock for any woman to suspect she has breast cancer. It is vital that she sees a specialist as quickly as possible because we know this often makes all the difference."

"Of 47 breast clinics spot-checked last week by a GP on behalf of the Labour Party, only nine said that they could guarantee to see an urgent case of suspected breast cancer within

a week. Whilst all but five clinics could see an urgent case within two weeks, every extra day that a woman waits is a day too long."

Labour's overall message on the health service was that when the general election is held on 1 May, the voters would be offered a choice between the maintenance of the NHS - or its demise under the Conservatives.

Mr Blair said: "The NHS under the Conservatives will simply not be there when you need it most."

Chris Smith, the party's health spokesman, said: "A fifth Tory term will make hospitals and GP practices profit centres, not health centres. Labour will never allow the NHS we created to be betrayed, distorted and commercialised like this. The debt and credit card could soon become the ticket past hospital reception, just as the

chequebook is now the passport to the dentist."

Last night, in a Cardiff campaign speech, Paddy Ashdown attacked both the Tories and Labour over their plans for the NHS, saying that while Labour warned that there were just 14 days left to save it, the spending plans of both major parties would bring the service to its knees for the next three years.

Attacking the level of bureaucracy generated by the Conservatives, the Liberal Democrat leader said: "I sometimes think that if Florence Nightingale had been starting out today, she wouldn't be the Lady with the Lamp, she'd be the Lady with the Calculator."

But he warned: "Don't let anyone kid you that savings from bureaucracy alone - vital as they are - will solve the financial crisis in the health service."

NHS struck off the priority list by all political parties

One of the strangest features of this election campaign has been the scant attention given to the NHS. Its condition is critical and the prognosis is poor. Waiting lists are climbing, non-urgent operations are being cancelled and expensive drug treatments denied.

On the doorsteps and at the hustings, voters say the state of the health service is a major worry. Yet politicians of all parties have shrunk from addressing it. They know that the survival of the NHS as a free universal service is under threat. Spending plans for the next two years, signed up to by both main parties, imply zero growth. The politically unpalatable options of rationing treatments or privatising parts of the service to bridge the funding gap are drawing closer.

Haunted by the spectre of Jennifer's Ear, Labour's disastrous 1992 election broadcast, no party has wanted to expose its plans for the NHS to close examination. That's a pity: close examination is urgently required. The health service has just come through its toughest financial year for a decade. Real terms growth in NHS spending, which has averaged 4 per cent a year since 1991, was cut to 1.6 per cent last year (1996-97). Wholesale bed and ward closures were narrowly averted last winter by accountants raising this year's more generous allocation of 2.9 per

cent growth announced in last November's budget.

The future is grimmer. The fiscal rectitude expressed by both main parties has left a gaping hole in their spending plans. Virtual zero growth over the next two years will not be enough to meet the growing demands of an ageing population, medical advances and rising expectations, estimated by the NHS Confederation, the body representing NHS trusts and health authorities, at 3 per cent a year. Only the Liberal Democrats, promising an extra five pence duty on cigarettes, have explained how they will pay for the NHS.

Labour yesterday sought to divert attention from this embarrassment by pledging improvements in cancer treatment. It plans to bridge the spending gap by slashing bureaucracy - ending the internal market, merging NHS trusts and replacing GPs with local commissioning in buy hospital services for their areas. Some estimates suggest this could save 7,500 jobs. It is, however, hard to see how

the necessary funds can be released in time for the next public spending round in the autumn and inconceivable that they will be sufficient to provide 3 per cent growth, equivalent to £1bn.

Labour has also yet to explain what will replace the internal market. It is unclear what leverage GPs will have over poor performing hospitals once competition for contracts is eliminated.

Stephen Dorrell, the Secretary of State for Health, sought to expose the "contradiction at the heart of Labour's policy" on Tuesday by demanding what would connect the new GP commissioning groups if it wasn't a market.

However, Mr Dorrell was unable to make the Tories' sums add up either. Making only a "base" commitment that the NHS would continue to enjoy real terms growth, as it had done since 1979, Mr Dorrell insisted that the amount of any increase would depend on the state of the economy. Asked how this could be achieved in the absence of tax rises or greater economic growth than forecast, he said: "We shall do it the same way we have done it since 1979, through proper control of public finances and the maintenance of a successful economy."



Neglected sector: Tony Blair facing questions from health staff at St Thomas's Hospital in south London yesterday. Photograph: Andrew Buaman

Voters in dark over key policies

John Rentoul

Only half of voters recognise even the most high-profile policies put forward by the three main parties, according to today's *Independent Harris Poll*.

We took the most reported policy from each party's manifesto and asked voters if they could say which party had proposed them. The plan for a windfall tax to pay for a jobs programme scored best, with 57 per cent correctly recognising it as a Labour policy.

But Labour was also identified by significant minorities as the author of two other policies. One voter in five thought a penny on income tax for education was a Labour pledge and the same number thought tax breaks for spouses staying at home was in Labour's manifesto.

The Liberal Democrats' education policy achieved highest recognition among a party's

THE INDEPENDENT HARRIS POLL

own supporters (68 per cent). Among Labour voters, recognition of the windfall tax was higher than among all voters (57 per cent).

The poll was carried out over last weekend, before John Major's appeal to his party to toe the line on Europe. It confirms the Euro-sceptical stance to public opinion as the backdrop to this week's turmoil in the Conservative campaign. By a narrow margin, voters are sceptical on the "core" European issue of whether closer ties to Europe would mean more or fewer jobs. Twenty-six per cent think closer ties will result in job losses, against 22 per cent who expect more jobs. Thirty-six per

cent think closer ties will make no difference.

The poll confirms the view expressed yesterday by Peter Mandelson, Labour's campaign chief, that the electorate has largely made up its mind.

Although only 66 per cent had "definitely decided" to vote for their party, the waverers, the 26 per cent who said "I may change my mind", hold out little comfort for the Tories.

When the waverers were asked which party they might switch to, Labour and the Liberal Democrats (19 per cent each) led the Tories (15 per cent) as second choice, although one-third said they did not know.

Sir James Goldsmith's Euro-sceptic Referendum Party could pick up another 6 per cent of the waverers, overwhelmingly from the Tories.

In another attempt to subject the Labour lead to the most cautious assumptions, Harris changed its interviewing method this week. Its interviewers used a showcard listing the three main parties (four in Scotland and Wales) when asking how people intend to vote.

ICM, which also reminds voters of the Liberal Democrats, has been reporting consistently higher Liberal Democrat ratings and lower Labour ratings. But the new method seems to have had little effect on Harris's findings, though we cannot know whether Labour's three-point drop and the Liberal Democrat one-point rise this week is genuine, due to sampling variability or is the result of the new question format.

Whose policy?

"Impose a windfall tax on privatised companies and use the money to cut youth unemployment"

Lab (correct) 57%
Con 8%
Lib Dem 2%
Don't know 33%

"Put up income tax by a penny in the pound for education"

Lab Dem (correct) 50%
Lab 19%
Con 5%
Don't know 24%

"Give tax relief to married couples when one of them stays at home to look after the children"

Con (correct) 44%
Lab 21%
Lib Dem 2%
Don't know 34%

Self denies taking drugs in toilet on Major's jet

Simon Reeve

Will Self, the novelist and self-confessed former heroin addict, yesterday denied he took heroin on John Major's election campaign aircraft and said he was disappointed the claims were distracting people from the "real issues" of the election.

Self had been assigned to write an irreverent sketch on the Prime Minister's campaign by the *Observer* and was a passenger on the jet last Thursday when he allegedly hid in the toilet to smoke or inject the drug.

Will Hutton, the editor of the *Observer*, sacked him after he refused to deny the claims, which were splashed across the front pages of yesterday's newspapers. Some *Observer* journalists are understood to believe Self was falsely accused.

The case against Self appears to be largely based on his appearance after leaving the toilet in the flight. "It was just the way he was behaving and the way he looked compared to 10 minutes earlier," said a journalist who travelled with Self.

A member of the Tory campaign team is understood to have a friend who was addicted to heroin. This helped them to spot "tell-tale" signs. The Tory worker alerted Brian Mawhinney, the party chairman. On Friday, Simon Walters, political editor of the *Sunday Express*, was travelling with the Prime Minister and heard about the allegations. He prepared a story for the Sunday edition which was never used.

Self has issued a statement through Davenport Lyons, his solicitors: "Whilst he denies that he took drugs on the Prime Minister's campaign plane, he does not contest the decision that he should no longer remain at the *Observer*. Will Self feels that the unsubstantiated allegations made against him should not be allowed to receive greater currency than they deserve, or detract from the real issues in the election campaign."

The statement noted that "although these alleged events took place more than a week ago our client has not been contacted by the police."

Before leaving Ellesmere Port in Cheshire, the Prime Minister was asked about the allegations involving Self. "I have never met him, I know nothing about him. It's obviously a personal tragedy for him," he said.

Suzanne Moore, Page 19

THE HURRIED VOTER'S GUIDE

THE CAMPAIGN

John Major opened his day by proclaiming the longest period of low inflation for 50 years, before returning to a favourite issue: the federalist threats posed by the European Union.

Branding a copy of a 'general outline for a draft revision of the treaties', issued for discussion at next month's Amsterdam EU heads of government summit, the Prime Minister went through the 'wish list' of centralising measures proposed as an 'hors d'oeuvre' for even greater threats to British sovereignty in the future. He also suggested that other heads of government had scheduled a pre-Amsterdam summit 17 days after the election with an eye on Tony Blair in an effort to 'catch him in the after-glow' of the election.

The proposal for a free vote for Conservative MPs on a single currency was slipped out in answer to a question. Mr Major said: "Of course it's a possibility as far as backbenchers are concerned."

Meanwhile, the Liberal Democrats yet again proclaimed that another Tory government would scrap the National Health Service, cut £10m of the savings made on NHS bureaucracy to improve services on breast cancer - and attacked Liberal Democrat spending plans as being so much pie in the sky.

KEY ARGUMENTS

The Conservative argument is that while European threats of greater federalism lie on the table, the best person to fend them off is John Major; the man who so successfully won options on the Social Chapter and economic and monetary union (EMU).

That suggestion prompted Labour and the Liberal Democrats to reply that the Conservatives were so split that it was difficult to know for whom the shadow Foreign Secretary, Robin Cook, said Mr Major had "thrown in the towel". Kenneth Clarke, the Chancellor, confessed he had not been consulted on the issue of a Commons free vote.

Labour, meanwhile, opened a new front with an attack on Liberal Democrat tax-and-spend policies, based on a misunderstanding that all their pledges were to be paid for by a one penny increase in the rate of income tax, to 24p in the pound.

The Liberal Democrat treasury spokesman, Malcolm Bruce, said their plans were fully costed: "We believe that there should be no taxation without explanation." Paddy Ashdown later argued that Labour could not possibly make a difference to the NHS with savings from cuts in bureaucracy.

GOOD DAY



It was a good day for John Major, the Conservative leader, in a significant concession. John Major said that there could be a free vote on the single currency. But Mr Radwood continued to press forward, questioning the need for Britain to remain in the single-currency negotiations: "I think it would help [Major's] case if he told us what he is trying to achieve for Britain in whatever negotiations remain."

ONE TO REMEMBER

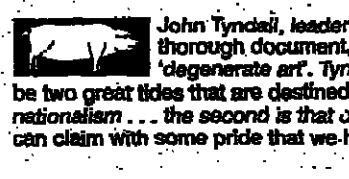
A Liberal Democrat candidate was surprised to find himself quoted by Labour's Chris Smith in his onslaught on the Tories' health policy yesterday. Dr Evan Harris, who is standing in Oxford West and Abingdon, was quoted condemning the development of a two-tier NHS. Although he stood by his criticism, Dr Harris said he was "astonished" that the Labour party was using a Liberal Democrat spokesman to endorse their unsustainable position.

BAD DAY



Deputy Prime Minister Michael Heseltine could not keep up with the Prime Minister's policy-making "on the hoof" over the single currency. Mr Major's attitude had become firmer over the day, and Mr Heseltine was not aware that the Prime Minister's most recent statement was that a free vote "must" apply to backbenchers. He accused BBC interviewer Charlie Lee-Potter of "grossly distorting" and "exaggerating" Mr Major's position.

HOGWASH



John Tyndall, leader of the BNP, attempted to launch his manifesto. A thorough document, it even includes Hitler's favourite topic of "degenerate art". Tyndall writes: "In the age to come, there are going to be two great tides that are destined to sweep all before them. The first tide is that of nationalism... the second is that of disillusionment with liberalism... We in the BNP can claim with some pride that we have been in the forefront of these two tides."

THE OTHER PARTIES

Lord Sutch, leader of the Monster Raving Loony Party, announced: "I'm not standing in the election because my mother is very ill. I've got to visit her every day in hospital."

Four Green Party candidates in Edinburgh burned their nomination papers in protest.

at the £500 deposit required. Its spokesman Charles Booth said: "Britain is one of the few places in Europe that puts a financial price on democracy."

Alex Salmond said the SNP was "sympathetic" to Scotland joining a single currency, depending on circumstances.

MEDIA STAR



It was Will Self's turn to face the reporters. Questioned about drug-taking on the Prime Minister's plane, he said: "I completely refute all the allegations." A statement issued by the author's solicitor noted "although these alleged events took place more than a week ago our client has not been contacted by the police". But Scotland Yard confirmed an investigation into the alleged use of a controlled drug was under way. Even John Major had a view on the matter: "I know nothing about him. It's obviously a personal tragedy for him." At least there could be a book in all this for Will.

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Parties keep tight rein on cyberspace debate

Charles Arthur
Science Editor

The topic was Europe, the venue was the Internet, and the language was blunt. "Don't try to hide behind any posh sounding snoot-nosed expressions, you pompous windbag," said the message. Phew. Was John Major using the information superhighway to finally get tough with the Euro-sceptics?

In fact, no. That was part of the unfettered debate that Internet users are carrying on about the election in discussion areas known as "newsgroups". Even though politicians have been happy to talk about how important the global network of the Internet will be to our future economic development, they show great reluctance to get involved in the real cut-and-thrust with potential voters.

Just as on the streets, where soundbites and choreographed walkabouts rule the day, on the Internet the parties are stage-managing everything, and leaving nothing to chance. Most of the parties fielding candidates in the general election - from the Conservatives, Labour and Liberal Democrats through to Plaid Cymru, the Communist Party and Scottish Greens - are pushing their

manifestos via Web sites on the global network. But that is the static part of the network. Indeed, a quick tour suggests that, rather than offering a means for voters to bypass the media in the search for facts, the main parties see the Web as a low-cost extension of their advertising boardings. If you want a free manifesto, these are the places to go. If you want news and interpretation,

they are emphatically not. The Conservatives' site (at <http://www.conservative-party.org.uk/>), which claims to have 16,000 visitors per week - with about 80 per cent coming from the UK - actually echoes its physical adverts. The election, its front page declares, is "A Choice of Two Futures". But despite every indication that internal opposition to the single currency is the topic

most occupying the Tories (if not the voters), its only mention comes as the 25th of the Tories' 25 pledges - which appear in an animated sequence taking 10 seconds each. You could sit watching the screen for four minutes without finding out what policy, if any, the Tories have on the matter. And as for the existence of Euro-sceptics - well, perish the thought.

The Labour Party, meanwhile, is claiming that its election site (at <http://www.labourwin97.org.uk/>) has received 1.25 million "hits" since its launch on 20 March - a splendidly misleading statistic, as one person's viewing of a page can generate hundreds of "hits" (which are requests by the user's computer to see a small file on the Labour site). Judging by the structure of

the Labour page, the total number of visitors is probably between 10 and 20 times lower than the number of hits - suggesting that it has had between 62,500 and 125,000 visitors. This would be in line with the other two parties: the Liberal Democrats said that their site (<http://www.libdems.org.uk/libdems/>) has about 4,000 visitors daily, with 70 per cent of those coming from the UK.



Spreading the word: The Deputy Prime Minister, Michael Heseltine, leaving the Brick Lane mosque in London's East End after a visit there yesterday with the Conservative candidate for Bethnal Green and Bow, Kabir Choudhury (front right). Photograph: Andrew Bluman

Strong criticism by Brown suggests policies of third party are gathering support

Tax-and-spend promises earn Lib Dems a flattering attack

Anthony Bevis
Political Editor

Labour yesterday delivered a dramatically tough attack on the Liberal Democrats' tax and spending policies - prompting a suspicion that Paddy Ashdown's party is making campaign headway.

At his daily press conference, Mr Ashdown underlined the Liberal Democrat promise to offer clear, costed commitments in return for "modest, targeted taxes".

Citing the example of cuts in class sizes or shortened waiting lists for hospital treatment, he said: "We believe people are prepared to pay a little more, so long as they know the money will be well spent."

Baroness Williams - the former Labour cabinet minister and one of the Social Democrats' founding Gang of Four - told the press conference that the tax message was getting across to the voters.

Fresh from a campaign tour, she reported: "It is clear that our simple message on tax... is very popular." As for Labour, she said that there was a quite extraordinary level of bewilderment about what they stood for.

"It is a kind of Cheshire cat campaign where there is nothing left at the end but the smile."

"It is not that they don't think Labour stands for social justice any more, it is that they don't know what it stands for... There is a very strong sense that Labour has given words

of support to all the things we both agree upon, but that is not accompanied by any clear commitment of any kind to finance it."

Whether Labour was stung by that attack, or whether it is sensitive to constituency reports of a growing support for the Liberal Democrats, Gordon Brown, the shadow Chancellor, yesterday delivered a flatteringly strong criticism of the party at Labour's press conference.

"I think it is about time that the Liberal Democrats, who say that they want honesty about finance, honestly told us how all their spending commitments are to be paid for," he said.

Mr Brown then read out a lengthy list of Liberal Democrat

spending commitments, from free eye and dental checks through to an increase of 3,000 in the number of police officers, adding: "And the Liberals try to tell us this can be paid for at 45 pence a week."

"I ask you, 'Do their sums add up? Where is the money going to come from?' The only reason they can get away with these spending commitments, that are completely uncoded, is because nobody thinks they are going to be elected. They are being completely dishonest in their claims."

Tony Blair, the Labour leader, yesterday went out of his way to urge reporters to examine the Liberal Democrat claims, saying: "The Liberal Democrat proposals, particularly on taxation, bear a little scrutiny."

The Liberal Democrat claim about a cost of 45p a week relates specifically to the proposal to raise the rate of income tax by a penny, to help pay for the £2bn-a-year education investment plan.

The party has also listed a number of other tax increases and spending cuts to fund its programme. And the Liberal Democrats are quite specific in saying that free eye and dental checks, and a freeze on prescription charges, would be more than covered by an extra 5p tax on a pack of cigarettes, and an extension of employers' national insurance contributions to taxable benefits in kind.

Donald MacIntyre, page 19



by Aanonymous

I took half a sentence for the Candidate to realise that he didn't know what he was talking about. This didn't alarm him - it was an occupational hazard. The beauty of these Q & A sessions was that the good folk attending them could ask you practically anything. This week he'd been quizzed on "Queer Rights" by a rather toothsome young Brighton lesbian, his views sought on hospices and voluntary euthanasia by an earnest chaplain, and at the morning press conference (formerly devoted to the National Health Service, this being Health Day) Mr Brown had called up the representative of one of the leading Irish newspapers who had asked a long and complex question on the peace process.

No one could know everything - it would be crazy to pretend otherwise. If you'd spent as much time in government as the Grey Man, it was more likely that when you ransacked your mental filing cabinets for a policy or an argument, you'd find one there; often still in the language of the civil servant or private secretary who'd written it. But the leader of the Opposition, who'd spent half-a-decade on party matters, was never likely to be quite so well briefed. Give me time, he thought.

Usually there were perfectly good answers to all the questions, but some just weren't stored. When it was asked you then had a matter of seconds to discover what was available in your head. A 30-second introductory waffle was almost always acceptable to your audience ("I'm glad you asked me that question, Rebecca. Whales are an important part of our natural environment). But if you were to avoid embarrassment, or stumbling, then you'd have to say something.

Of course if the query were familiar, it could trigger the response without any need for thought at all - the mouth simply went on autopilot. On such occasions he could actually find himself separated from the speaking politician, his astral projection contemplating matters such as how attractive the young women in the audience were, whether the kids had done their homework, and would Friend Bobby make a decent minister. As his mouth neared the end of the reply, a mental alarm would go off, alerting him that it was time to rejoin his body.

Sometimes, with luck, a quick scan would throw up a full policy. This would be like grasping the frayed end of a piece of string and haul-



ing up a complete line of carnival flags: one tug and the whole lot would follow satisfyingly ("Rebecca, we have committed ourselves to signing the Inter-Oceanic agreement - as our spokesman made clear only last week - which would entail..."). Actually it was more like a good bowel movement.

The next order of difficulty was when you could recall the issue, but had little concrete to say about it. This required a frank sounding admission that not everything could be done at once, but that he was sympathetic and knowledgeable. The thin meat of his specific knowledge of whales was well sandwiched in the thick, spongy bread of his rhetoric about the environment in general.

Worst, though, were those questions which found the cupboard absolutely bare. And he had just been asked one of those by the woman who had shouldered her way through the phalanx of attentive nurses and sympathetic auxiliaries, and delivered herself of an incredibly complex question to do with community care and the demarcation between Health Trusts and Local Authorities. He did not have the foggiest. He knew it: Nipper, Auntie and Queen Mum - all of whom were standing in the audience - knew it, too. But they were powerless to help. Stranded in the middle of this noisy and echoing Victorian lobby, in the heart of the great teaching hospital, surrounded by the snappers, the piranhas and an assortment of staff, he was completely on his own.

"Thank you for that very, or, interesting question," he said, raising a laugh. "The whole issue of community care is extremely important," and then what? We want more of it? Less of it? The old escape route suggesting that dosh would be magicked up was no longer open. For a second he felt sweaty. Then it hit him - if no string was visible for this one, pull the string for a different one. "It's like I said before. We must rebuild the sense of co-operation within the Health Service. Co-operation and not competition should be the foundation of a rebuilt NHS. Local authorities and hospitals must work together..." and so on.

And then, as he often did, he found his answer segueing nicely into the peroration about a better Britain. As he finished, the whole room applauded. But only Nipper, Auntie and Queen Mum understood the true achievement.

Ashdown: 'We are a grandfather'

Barrie Clement

Paddy Ashdown last night was able to emulate a retired party leader with the words: "We are a grandfather."

Mr Ashdown, 56, heard that his daughter Kate had given birth to a baby boy.

"Jane and I are both delighted at this news," the Liberal Democrat leader said before a rally in Cardiff. Mother and baby were said to be well last night in north Burgundy, France, where Kate and her French husband Sebastian live.

At the rally, however, Mr Ashdown got back to business. Having refused during the campaign to attack other party lead-

ers personally, he offered the Prime Minister his pity instead. The increasingly buoyant Liberal Democrat leader said he felt "genuinely sorry" for John Major. He was a decent man trying desperately to lead an "impossible party" riven with turmoil over Europe.

Mr Ashdown referred to the "sad spectacle" of the Prime Minister being forced to dedicate the whole of a party political broadcast on Wednesday night to rebels in his own party.

In the teeth of ministerial dissent and open revolt among candidates, Mr Major urged support for his "negotiate and then decide" policy on a single currency.

Mr Ashdown said the broadcast was not targeted at 56 million people, not even the critical "swing" voters in marginal seats, but at 600 Tory candidates.

The Liberal Democrat leader was in confident mood in the wake of national polls showing growing support for his party and the results of private surveys in Tory marginal constituencies where Liberal Democrats believe they are closing the gap.

Mr Ashdown said the Conservatives had become two parties. "In one Tory party, the few left who understand that Britain's future lies in Europe. In the other Tory party, the kind of people whose idea of a European policy is to shout loud-

er in English. They are hopelessly divided. They are weakly led." The internal strife in the Conservative party had become the foreign policy of the British government, he said.

The hustings earlier in the day took on the air of a musical comedy as the Ashdown battle bus arrived at the shopping precinct in the middle of Hereford.

While the Australian tenor Richard Worsborough rendered his "songs of passion", Mr Ashdown encountered his first heckler of the campaign.

Clive Easton, the 49-year-old Referendum Party candidate for the constituency, pursued Mr Ashdown round the shopping centre pleading for a dialogue

on Europe. Mr Easton, however, found his way barred by Liberal Democrat heavies, one of them all of 5ft 4ins.

To the strains of "Vienna City of My Dreams", Mr Easton, a British Airways 747 captain on unpaid leave, unleashed his most potent invective: "Can I please have a minute of your time?"

Eventually the agitated Mr Easton - with the help of the media - managed to speak to Mr Ashdown, who directed the Europhobe to debate the issue with the Liberal Democrat candidate in Hereford.

Mr Ashdown then swept off, leaving the lone heckler-listening to the plaintive notes of "O Sole Mio".



Jack Straw, Labour's shadow Home Secretary, will be available for questions and discussion on the Internet on Monday night at the web site run jointly by *The Independent* and *Virgin*.

Do come and join us between 6.30pm and 7.30pm, on Monday April 21.

Tonight you can also join in a debate on whether recreational drugs should be decriminalised, between 7pm and 9pm. We will be joined by a range of guests with views across the spectrum, including:

Howard Marks, former drug smuggler and current candidate of the Legalise Cannabis Party in Norwich North and Norwich South.
Rev. Dave Cave, Baptist minister from Swansea, member of the Evangelical Alliance Coalition on Drugs.
Peter Stoker, Director of the National Drug Prevention Alliance.
Danny Kushnick, of Transform.

To enter the discussion, go to our election web site, at: <http://www.virgin.net/independent97/>

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مكتبة من الأصل

Parties are hoping their hard work with young voters will help rout the group's traditional apathy

Labour targets first-time voters

Sam Coates

Things can only get better... so long as you vote. That was the message coming from the Labour Party's youth spokeswoman Mo Mowlam yesterday. She was launching a drive to try and motivate first time voters into casting their mark in this election.

According to Ms Mowlam, the problem with young people is not that they don't care about politics, but that they are disillusioned, disaffected and "don't feel a great identity with the political process or some of our institutions".

In order to combat this, the party have launched a new video for first-time voters, aimed at mobilising some of the 3,000 first-timers in each constituency.

There was a high degree of apathy in 1992 with 50 per cent (more than 2.5 million) of young people failing to vote.

But as this election approaches it looks increasingly likely that more young people will be casting their vote.

In a Harris poll for *The Independent*, which was conducted earlier this month, as many as 80 per cent of 18-24 year olds said they were likely to vote.

The Labour Party are distributing the video, "Do it", to explain the voting process to young people and are encouraging them to make the effort. The video has an upbeat message, in keeping with the party's new strategy of positive campaigning.

The video makes no attempt to put across a party political viewpoint, encouraging the viewer to vote Labour - indeed there is even a brief glimpse of

John Major at one point. It shows young people from all sections of the community gathering and heading off to a polling booth together.

As the video arrives, we see what they have to do in order to cast their vote right the way through to one of them marking a cross on his ballot paper. Although the viewer does not get to see which candidate he votes for, his pen heads in the general direction of the Labour candidate's name.

Even though this video is careful to appear apolitical, Labour are clearly trying to encourage impressionable first timers to vote for them.

All voters between the ages of 18 and 23 have spent most, if not all, of their lives under a Conservative Party government. As a result, Labour's "Time for a Change" strategy has particular resonance with this sector of society.

Political parties are not the only ones trying to encourage young people to vote in this year's election.

James Palumbo, the owner of the Ministry of Sound - who has lent a car to Peter Mandelson for the duration of the campaign - has started a "Use Your Vote" campaign to encourage first

timers to re-enter into the political process. Similarly, the "Rock the Vote" campaign, fronted by the likes of comedians Eddie Izzard and Joe Brand, to re-enfranchise the disaffected, boasts it has added almost half a million young people to the electoral register.

However, the campaign has been the target of accusations of Labour bias as well as suffering the burden of debts to advertising agencies.



Act of faith: Nalan Kana pitching to fellow pupils for the Forgotten Ignored Outrageous party at the Young Vic

Photograph: Karpesh Lathigra

Teens show Major the stage door

Kim Sengupta

So, Labour is out of the wilderness years. The pollsters can pat themselves on the back. Tony Blair won by a landslide. He will be the one leading the Britain into a new millennium.

That was the result of the election at the Young Vic in London, in a poll of 200 schoolchildren, aged 13 to 16. The exercise in sounding out voters of the future involved a mock campaign by the three main parties and a production of George Orwell's *Animal Farm*.

The debate was colourful and sometimes dirty. The party leaders smiled and offered promises, spin doctors scowled, while cynical journalists sniped from the sidelines.

At the end it was a disaster for the Tories. They picked up only 10 per cent of the votes, beaten into second place by the Liberal Democrats with 15 per cent. Labour swept in with a massive 75 per cent.

The groundbreaking series on children and politics, called *Revolution*, was organised by the production company Northern Stage. The pupils are encouraged to participate in all aspects of an impending election.

Yesterday they came from three schools, the George Orwell in north London; and Lilian Baylis and Bishop Thomas Grant, both in south London.

Small groups formed three parties, *Me Myself Alone* (modelled on the Conservatives), *Us Together Ourselves*

(Labour) and *Forgotten Ignored Outrageous* (Lib Dems). There were also organisations from both sides of employment - the National Business Executive and Union of Workers, and two newspapers roughly modelled on the *Sun* and *The Independent*.

Yesterday's was a single issue election, on a subject close to the hearts of Messrs Howard and Straw - the problem of juvenile crime.

An MMA government committed to law and order has introduced a series of draconian laws, including imprisoning of persistent truants, night-time curfew, electronic tagging and tattooing the word "Criminal" on their foreheads. It has then gone to the country.

The tabloid newspaper newspaper and its staff, whose alleged characteristics were "gossip, celebrities and Royals, dishing the dirt and never letting facts get in the way of the story", were fervent propagandists for the government.

The worthy broadsheet, "abhorring sensationalism, publishing all the facts and printing only news that matter", opposed it.

After discussing the issues involved, the respective groups presented their arguments on the Young Vic stage. The heckling from the populace was strident, "But", as one teacher remarked, "no worse than you see on the telly on late night Commons debates, when they have just come out of the bars".

The Government said their aim was simply to "protect the innocent by punishing the guilty" and "all right-thinking kids should support it". The Opposition called this a lot of things, but among those printable was: "They have not got a clue, they should be spending more on education rather than locking them up." The Lib Dems likened the new laws to "the Nazis' treatment of the Jews".

After his party's defeat, the outgoing Prime Minister, Aaron Carter, 15, from Bishop Thomas, said he was contemplating a career in politics. But he added: "I don't think I could bring myself to vote Tory. If I had the vote now, I would vote Liberal Democrat."

QUOTES OF THE DAY

It's the total collapse of a once stout party. It's an extraordinary abdication of governmental responsibility - Liberal Democrat Alex Carlisle on the Tories' attitude to EMU

If you vote Tory on May 1, what Conservative Party are you getting? - Tony Blair

Here was a decent, honourable man trying to lead an impossible, rebellious, shattered and split party - Paddy Ashdown on John Major's Party Political Broadcast

Chancellor Kohl and President Chirac are far too astute and experienced. They would eat Mr Blair for breakfast and digest him for lunch - Malcolm Rifkind, Foreign Secretary

We are not the party of the fat cats, but we are the party of making sure we will not put up taxes - Tony Blair

Frankly pathetic - Sandy Macara, BMA chairman, on Labour's pledge to cut NHS bureaucracy by £100m and spend it on patient care

An excellent way of solving a very difficult problem... The great majority don't want to go any further into Europe - Sir Teddy Taylor on the idea of a free vote

I look forward to her instant dismissal as a sign of strong leadership in the Shadow Cabinet - John Major on Clare Short

We know what the general British public think because we have been going around getting candidates' nominations and we have been getting a friendly reception in almost every house that we call - John Tyndall, BNP leader

It's not a sackable offence to make a mistake and say something you perhaps would prefer not to have said - Malcolm Rifkind on ministers John Horam and James Paice

Compiled by Ben Summers

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Some 20 per cent said they didn't trust him and the rest were undecided, according to the poll, conducted in the first week of April. This showed a significant jump from the institute's last poll in December, in which only 34 per cent of respondents said they trusted him.

Mr Yeltsin was invited to Germany to receive the "Man of the Year" prize, awarded to him by the German media last year. He could not receive it as scheduled last November because of his heart surgery. A German human rights group, the Society for Threatened Peoples, said the heavy casualties in the Chechnya war and the death under fire of journalists there, meant it was a "mockery" to give Mr Yeltsin the prize.



But immigrant organisations warn it may take another generation for the state and its present citizens to accept dark-skinned Germans as their own. Although xenophobic attacks have abated in recent years, many Germans remain convinced that Muslims represent a threat to the Christian character of society, and at least one government minister is on record denouncing multi-culturalism.

[illegible]

The democratic camp says they signal tougher, Chinese-style restrictions on civil liberties. China maintains these conflict with Hong Kong's post-colonial constitution.

On a less divisive note, Hong Kong's future leader won praise from a Democratic Party leader for a speech in which he pledged "the strongest determination to preserve the freedoms that the people of Hong Kong currently enjoy".

Party Vice-Chairman Anthony Cheung said he welcomed the Tung Chee-hwa's assurance that the night to protest and demonstrate were "people's rights, and should be part of Hong Kong's political culture".

Gingrich bailed out by Dole in \$300,000 loan deal



The politics of power: Bill Clinton shakes hands on a budget deal in December with Bob Dole (left) who is to loan Newt Gingrich (right) the \$300,000 needed to pay a fine for misinforming the House of Representatives about tax-free payments for lectures and a book advance

Mary Dejevsky
Washington

The Republican Speaker of the US House of Representatives, Newt Gingrich, astonished his supporters and opponents alike yesterday with the announcement that he would pay a controversial \$300,000 fine with a loan from the Republicans' failed presidential candidate, Bob Dole.

In an unscheduled address to the House yesterday morning, shortly after the payment arrangements had been made public, Mr Gingrich said he had a "moral obligation" to pay the money from personal - as opposed to campaign or other - funds

and had "therefore arranged to borrow the money and pay it back". Whether and how the fine would be paid had grown into an issue that appeared increasingly to threaten Mr Gingrich's position as Speaker and his whole political future.

Reports that Mr Gingrich was finalising the terms of a personal loan had been buzzing for several days, but the announcement that the loan was to come from Mr Dole came out of the blue.

Under the arrangement made public yesterday, the loan is for eight years and granted directly to Mr Gingrich, who will take personal responsibility for its repayment. Interest will be calculated at 10 per cent, 1.5 per cent above the base rate, but no payments will be required until the year 2002, the year by which Mr Gingrich has pledged to surrender the post of Speaker.

Mr Gingrich is also required to take out life insurance sufficient to cover repayment and interest.

He made his statement to a packed House of Representatives, with his wife, Marianne - to whom he paid generous tribute - sitting in the gallery.

It had been reported that most of the couple's assets were registered in Mrs Gingrich's name and that she had strongly opposed paying the fine

from personal funds. Acknowledging the difficulty, Mr Gingrich said his family's lives had been "torn apart" by the decision.

The \$300,000 fine, described as a "penalty", was imposed on Mr Gingrich after he admitted misinforming - unwittingly, he insists - the House of Representatives ethics committee about payments he had received, tax-free, for a book advance and lectures.

The imposition of the fine was controversial.

Many Republicans saw it as politically motivated; others questioned how far a politician should be forced to use his own money to pay a penalty not imposed by a court of law.

There was general agreement, however, that Mr Gingrich's continued failure to pay, by whatever means, had become a liability to his position as speaker, and his career.

The fine was levied in January, after Mr Gingrich admitted breaching House rules by sending to the ethics committee two lawyers' letters "in my name and over my signature" that were inaccurate.

In a statement explaining his offer to Mr Gingrich, Mr Dole said yesterday that he considered the loan "not only an opportunity to support a friend, but a long-term investment in the future of our party".

Mr Dole is a wealthy man compared to Mr Gingrich. He has recently returned to legal practice, and earned half a million dollars just from appearing in one credit card advertisement.

Mr Dole's action was seen as sealing a reconciliation between the two men, who have not always been on good terms.

Mr Dole had made no secret of his belief that the high profile taken by Mr Gingrich during the early stages of Mr Dole's challenge for the presidency, and his intransigence over the budget - which led to the shutdown of government in 1995 - contributed to the Republicans losing last year's election.

While the deal was welcomed by many Republicans as potentially laying to rest the ethics problems that have plagued Mr Gingrich since he became Speaker two years ago, criticisms came thick and fast from both sides of the House.

Some Republicans persisted in their belief that Mr Gingrich should not have agreed to pay the fine from personal funds.

They continued to argue that the charges against the Speaker had been essentially political, and saw his agreement to foot the bill personally as setting a dangerous precedent.

Clinton returns to the big wide world

Mary Dejevsky
Washington

After weeks in which US foreign policy has appeared paralysed, there are finally signs that the logjam is starting to break. As if preparing to give the starting signal, Mr Clinton late on Wednesday entertained 30 senior congressmen, Democrats and Republicans, to a foreign policy "retreat" at which dinner was the only diversion from an agenda running the gamut of US concerns.

Awaiting decision are such weighty and urgent issues as how to proceed on relations with China and Cuba, squaring Russia on the expansion of Nato, "selling" the international chemical weapons treaty to a sceptical Congress, and payment or not of the backlog of contributions owed to the United Nations.

The foundering of the Middle East peace process and Mr Clinton's failure to work his charms on Israeli leader Benjamin Netanyahu in Washington recently, seemed only to underline a broader problem: a virtual absence of US authority on the international scene since the beginning of the year.

One manifestation of the foreign policy paralysis was the silence emanating from a swathe of US ambassadorial residences in major world capitals. Some of their occupants had resigned to place their posts at the disposal of the president at the start of his second term; several career diplomats had moved or retired and not been replaced pending the decision of the new administration. The Paris residence has been unoccupied since the sudden death of Pamela Harriman in February.

Now, names are being mentioned for some of these posts. Only one appointment has been formally announced - that of Douglas "Fete" Peterson, who has the sensitive task of becoming the first post-war US ambassador to Vietnam.



Pamela Harriman, top, who has still not been replaced in Paris, and Tom Foley, tipped for the top job in Tokyo post

up waiting and resigned to take up a senior business post.

This administration has taken an unusually long time to settle its second-term foreign policy appointments. Critics of the administration argue that this has inevitably affected policy-making and detracted from the authority of the United States abroad. Its supporters note the strong statements and rising profile of the new Secretary of State, Madeleine Albright. These they contend, have kept the US on the world map and foreign policy in domestic view.

But there are at least two reasons why Mr Clinton's second administration has started so slowly in foreign policy. The first appears to be a lesson learnt from the first administration when individuals were named to official posts before security clearance and background investigations were completed, leading to embarrassment when names were subsequently withdrawn.

The second is, for Mr Clinton, an unfortunate coincidence. Revelations about dubious fund-raising by the Democratic Party for the campaign which got him re-elected have focused on favours granted to the most generous donors and on contributions made by people with Asian, and particularly mainland Chinese, connections.

The possibility of a "Chinese connection" has undoubtedly become a complicating factor in official relations with China, and it remains to be cleared up. But the shadow cast over the practice of rewarding big political donors has had an immediate and practical effect. Ambassadors are among the most sought-after rewards in a president's gift.

In present circumstances, too lavish a hand with the political postings would expose Mr Clinton to even more flak, something he can well do without.

Quiz show fraud makes prime-time viewing

Andrew Gumbel
Rome

It was just before 8pm on Sunday and Italy's best-known variety show, *Domenica In*, was reaching its nailbiting climax. Mara Venier, the presenter, had just got through by phone to a viewer in Rome who had been selected, supposedly at random, to take part in a grand quiz.

"Marco," she said, "there are 100 million lire at stake. Are you ready?"

"If only I could win, Mara, the money would really come in handy," Marco responded.

If only, Marco, as it turned out, had every reason to suppose he would win since he had been supplied - illegally - with the quiz answers in advance. He had quizzed through the first question, concerning another popular Italian television programme.

But then things started to go

wrong. Before the show went on air, the programme makers suspected something fishy might be going on, so they switched the second question at the last minute. Marco plunged straight into the trap. Ms Venier asked for the name of the latest album by the Italian singer Franco Califano, only to be given the answer to the question that had been dropped - the name of the mother of the Italian actor Alessandro Gassman.

"What do you mean Juliette Mayniel?" Ms Venier fumed. "Why did you say Juliette Mayniel?"

"It was suggested to me," Marco mumbled.

Thus began the latest scandal to hit Italy's beleaguered television screens. By yesterday no fewer than three people had gone through the judicial ringer: Marco, a 30-year-old barman, an accountant called Angelo Vegliante, and Umberto Baldini, the

Finance Ministry official whose job it was to select the telephone numbers for the programme and keep them secret.

According to the confessions of Marco and Mr Baldini, the scam involved a straightforward trade-off. The viewer was given the quiz answers and in return he handed over a proportion of the prize money. As further details have leaked out, it appears that on the night there was a frantic race against time between Ms Venier's producer, who was determined to uncover the fraud, and Mr Baldini, who realised he was being unmasked and tried in vain to keep Marco off the air.

The affair, with its melodramatic denouement broadcast live to the nation, is reminiscent of Robert Redford's movie *Quiz Show*, which told the true story of a game show fraud on American television in the 1950s.

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international

Building bridges: UK business chiefs attempt to drum up business in North Korea as civil unrest flares in the South

British firms go for the hard sell in last Stalinist state

Teresa Poole
Peking

One of this year's least likely business missions starts tomorrow when members of the British Chamber of Commerce in China set off for North Korea, the world's last Stalinist state.

Representatives of 10 companies will spend five days visiting the capital, Pyongyang, and the Rajin Sonbong special economic zone in search of an elusive animal – a viable business opportunity in a country where most of the population no longer has enough to eat.

Among the companies in the BCCC group are Jardine Fleming, Airbus, ING Bank, the business services arm of Reuters, the lawyers Clifford Chance and a consultancy firm, Batey Burn.

The business mission was organised by the Peking-based Koryo Group, one of the few companies which runs package tours into North Korea. Its British director, Josh Green, said: "The message from North Korea has always been that they are open for business. So now, like any other time, North Korea welcomes foreign business people. There was no difficulty arranging visas for the businessmen, but no British journalist was

allowed to accompany the group.

Although not connected, the business delegation comes just one month after the most senior British diplomatic visit to North Korea since 1950. David Coates, the head of the Far Eastern and Pacific Department of the Foreign Office, spent four days in Pyongyang. It was the fourth bilateral meeting between Britain and North Korea since 1993, but the first in Pyongyang.

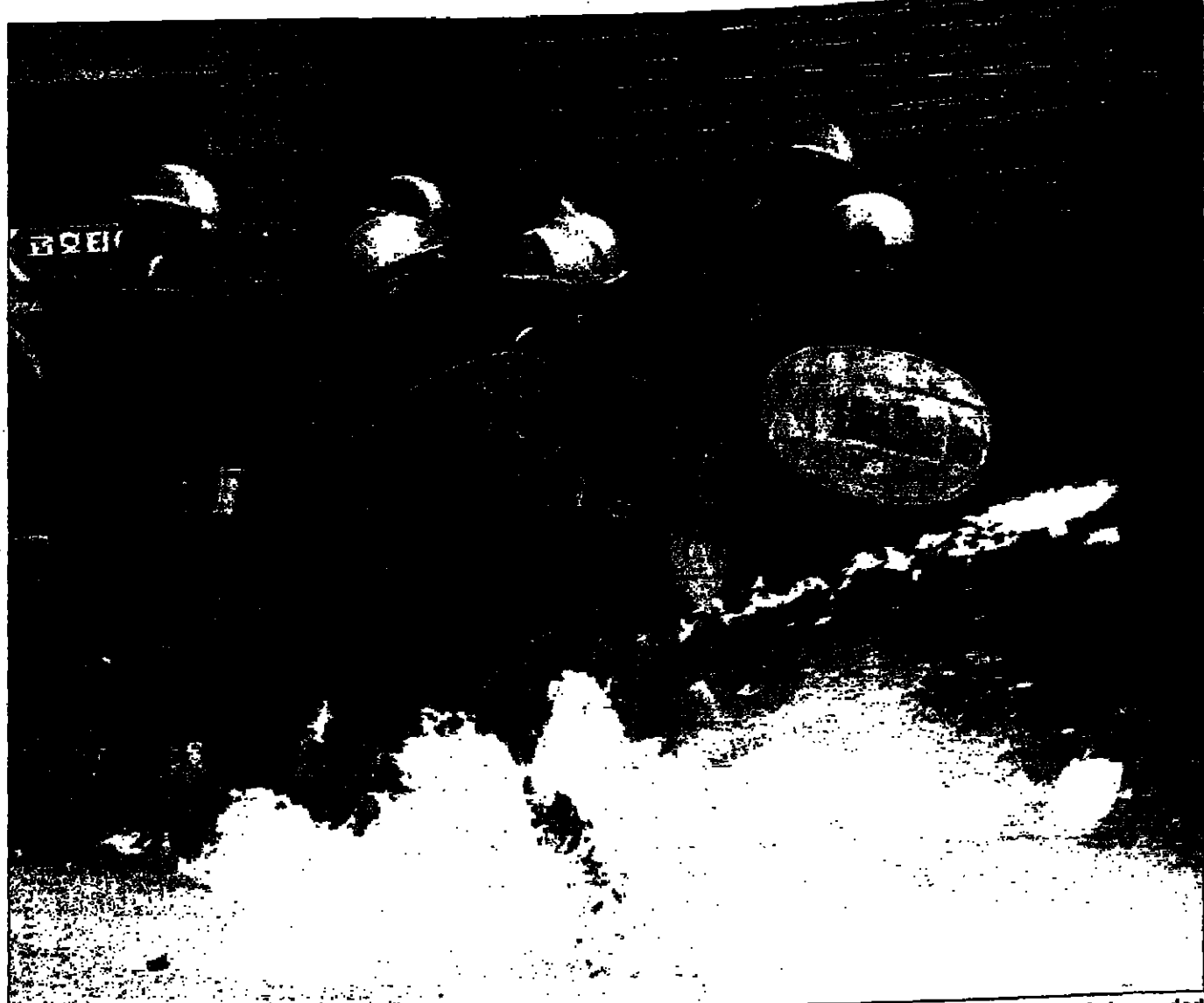
While North Korea's food and economic crises grow more severe by the month, Pyongyang is trying to maintain links with companies which might be interested in investing in the Rajin Sonbong zone, which borders China. Later this month a delegation of 50 Taiwanese businessmen will visit the country. One westerner who travels to North Korea regularly said that with the third anniversary of Kim Il-sung's death approaching, "there is more flexibility for creative businessmen to look at North Korea". Analysts believe that after this summer's anniversary his son, Kim Jong-il, may finally be confirmed as head of state and head of the party.

Adam Williams, chairman of the BCCC, said: "This is very much an investigative visit. None of us is very clear

what opportunities exist in North Korea for British companies. But as China-based businesses, we are in a good position to investigate any potential which is there." Members of the delegation will also visit some development organisations working in Pyongyang. "We have naturally read about the critical food condition and want to find out more," said Mr Williams.

The host for the visit will be the Korean Committee for the Promotion of External Economic Co-operation (CPEEC), which will provide briefings on the trade and investment opportunities in the Rajin Sonbong region and the rest of the country. Banking members of the delegation will talk to North Korean banks, and the team will visit the Sangwon Cement factory, and an exhibition of light industrial goods and minerals.

The focus of the briefings will be the Rajin Sonbong economic development zone in the north of the country, which is part of the wider Tumen River development project. After Pyongyang, the group will fly by Peking to China's border with North Korea and then on to Rajin Sonbong. Two further days will be spent on the Chinese side of the border.



Flashpoint: A firebomb engulfing the legs of a riot police officer yesterday as hundreds of students in Seoul demanded the arrest of Kim Hyun-Chul, the son of South Korean president Kim Young-Sam, for alleged fraud. Photograph: AFP



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The leader, his cognac and the starving hordes

Richard Lloyd Parry
Seoul

Hard information about North Korea is hard to come by, but in the last few weeks one thing has become increasingly certain: after two years of floods and economic stagnation, the country is on the verge of famine. An American congressman who visited this month saw peasants living off hot water and last year's cabbage leaves.

But one commodity at least is not in short supply: for all its economic distress, North Korea is still consuming a disproportionate amount of the world's finest cognac.

By global standards the quantities are not large, but they are remarkable for a country which last week became the subject of a \$126m (£77m) emergency food appeal by the United Nations.

In the first two months of this year alone, according to official French figures, cognac producers exported 200 litres to Pyongyang. In 1996, the total was 300 litres.

A spokesman for Hennessy confirmed that the company exports a range of brandies to North Korea, from the standard VSOP which sells for about 280 francs (£30), to Richard Hennessy which costs 8000 francs (£850) a bottle. Since the first devastating round of floods in

1995, North Korea has spent 1,421,000 francs (£151,170) on high-quality French brandy.

In fact, cognac consumption appears to have increased as the economy has plunged – in 1995 French brandy exports were an eighth of last year's. And here perhaps lies a clue to the cognac conundrum.

There is little doubt that the shipments are reserved for the most senior leaders of the Workers' Party, including the "Dear Leader" Kim Jong Il. Cognac is valued in Asia above all as a symbol of prestige. Bottles are given as presents to acquire influence and favour; and if the Dear Leader is giving away more bottles these days, it may be because he needs all the favours he can muster.

Among the biggest of many uncertainties in North Korea is the loyalty of the military. Since the death three years ago of his father, Kim Il Sung, the Dear Leader has made efforts to ingratiate himself with his armed forces.

Defectors have described the award of villas and luxury cars to key officers. Assuming that he doesn't drink it all himself, the Dear Leader's cognac is most likely to end up in the glasses of the military.

Far from representing blind extravagance, it may actually be an indicator of his increasing desperation.

significant shorts

Mobutu and rebel leader agree to talks

President Mobutu Sese Seko and the Zairean rebel leader Laurent Kabila have agreed in principle to meet to prepare the way for elections, UN envoy Mohamed Sahnoun said.

Mr Sahnoun and South African Deputy Foreign Minister Aziz Pahad said President Nelson Mandela had formally invited Mr Mobutu to meet Mr Kabila in South Africa "as early as possible". President Mandela met Mr Kabila on Wednesday in an attempt to persuade Mr Kabila to drop his insistence on Mr Mobutu's resignation, a government source said.

Reuters – Cape Town

June elections in Albania

Albania's rival political parties agreed to hold emergency parliamentary elections on 29 June, in an effort to resolve the countrywide crisis. The date was announced by Franz Vranitzky, sent by the Organisation for Security and Cooperation in Europe, to try and bridge differences between rival factions ahead of the elections. AP – Tirana

Former Israeli president dies

Chaim Herzog, Israel's longest-serving president, died yesterday, aged 78. Mr Herzog suffered heart failure after contracting pneumonia during a recent visit to the United States.

AP – Jerusalem
Obituary, page 20

Karadzic still an 'evil force'

The spokesman for Carl Bildt, the international High Representative to Bosnia, said that Radovan Karadzic, the former Bosnian Serb president indicted by the UN war crimes tribunal "remains a force of evil and intrigue which can only taint those personalities and those institutions of (the Serb republic) which continue to tolerate his activities."

Reuters – Sarajevo

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Indicted or not, Netanyahu is already guilty

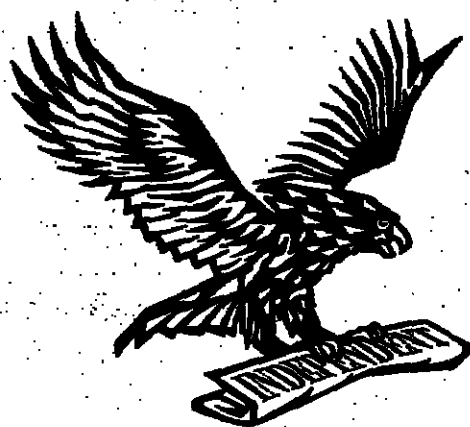
True friends of Israel ought to welcome the controversy that has engulfed Israel's prime minister, Benjamin "Bibi" Netanyahu. For two reasons. The first is the way the Netanyahu affair reminds us of Israeli freedom. It is a state in which the rule of law is held, still, in high regard. Journalists can and do dig and delve into the affairs of the highest in the land without fear of retribution. The same cannot be said of Israel's neighbours. In Lebanon, television is censored. In Egypt and Jordan the police possess none of that operational independence which has allowed them in Israel to investigate the innermost works of government. Syria is a repressive autocracy. If Mr Netanyahu falls as a result of an indictment, it ought to increase not diminish our admiration for the preservation of democratic reflexes in a society threatened from without by terrorism and from within by religious authoritarianism and fanaticism.

Mr Netanyahu's difficulties are welcome for another, less satisfying reason. They may lead to his eviction from the office of prime minister, and so to the possibility of a new start in the process of making peace with the Palestinians who — in the same way as the geography it is — inhabit the same quadrilateral formed of Phoenician plains, Judean hills and Jordan Valley. As a stabilisation exercise the Netanyahu "experiment" is not working. The

spiral of violence has lately turned upwards. The longer he stays in office, the less possible will be the eventual and necessary accommodation with Yasser Arafat and the Palestinian people which sooner or later must be achieved.

The condition of the state of Israel demands our British special attention. We created it. Israel was the product of British resolve, first in the Balfour declaration, then, 30 years on, in the way Britain ended its (League of Nations) Mandate for Palestine. Successive British governments have taken Israel as a special friend. Israel's moral credit stood high with the British public. In the haze of sentiment, political change within Israel was less questioned than it might have been in other nations: the rise of Likud and the Israeli right was obscured by the consequences of its leader, Menachem Begin, going to Camp David and Cairo.

But the arrival of Mr Netanyahu represents generational change — Shimon Peres hanging, albeit by his fingertips, to the Labour-kibbutz-Golda Meier tradition. With Mr Netanyahu a new, indigenous political style has triumphed amid party fragmentation. Of course Mr Netanyahu has not been formally charged with anything. A journalistic investigation of the circumstances of the appointment of Roni Bar-On as attorney general led to the police inquiry, which the new attorney general has now to consider. (We



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British are in no position to make light of the ambiguities surrounding the role of law officers who are part judicial actors, part party politicians.)

The paradox in this affair is that Mr Netanyahu is accused of trying to win a plea-bargain for the leader of the Shas party in order to secure his ascent to the withdrawal of Israeli troops from central Hebron. There will be many who would say such an operation would be justified — if it led to peace. But the failure of the Netanyahu regime has been that peace has not advanced. Withdrawal from Hebron has given no forward momentum to the

process. Instead, within weeks of leaving Hebron, Mr Netanyahu approved the go-ahead for the Har Homa construction project. In its aftermath the Hebron withdrawal itself starts to look less and less intelligible.

Some have claimed Mr Netanyahu is pursuing a grand project in which his aggressiveness makes sense. It is, in effect, to shake a mailed fist in the Palestinians' face, soften them up, make them more amenable to what Likud would like to offer — a kind of West Bank and Gaza banishment, an enclave that falls well short of statehood. The objection to this is not that pejorative

notion "bantustan". The final shape of a Palestinian entity might well — given the facts of geography and Israel's legitimate security needs — fall short of a "state" with all the trappings of formal sovereignty. The real objection is that any and all conceivable Palestinian political entities will only get built on the basis of continuous engagement by Israeli politicians with the Palestinian leadership. The phrase in Cold War years was "confidence building" — a series of little steps demonstrating good faith and the incremental willingness of one side to trust the other. This is what Mr Netanyahu has crudely swept aside. This is what Mr Netanyahu looks incapable ever of supplying.

It would be idle to pretend the process of replacing him as prime minister or even as leader of Likud is going to be straightforward, or that there exists in the wings a set of leaders or party able to pull things together in the Knesset or win national elections. That adjustment is essentially an Israeli domestic matter. What Israel's friends abroad must do is keep up the moral and diplomatic pressure for peace. Here is one of the biggest lacunae in President Clinton's foreign policy. His special representative, Dennis Ross, would surely in these past months have been so much more effective if his shuffling had come with more of a threat — to withdraw financial aids, stiffen credits. The Israeli economy is in far from tip-top health. Israeli public

accounts are in a mess. If Israeli electors and party bosses consider the future, some material inducements of the kind the Americans command could be usefully deployed. But the decision is theirs. Israelis might, conceivably, forgive a prime minister over whom grave allegations hang if that individual were also offering them a plausible road to peace and prosperity. Mr Netanyahu faces an indictment when he already stands guilty of weakening his country's security and standing.

Interested? Oh yes

Oh well, things aren't so bad as they looked. We had started to worry that no one was going to turn out and vote on 1 May at all, the way things were looking. It was becoming impossible to find a good bar-room chat about the single currency, or a gossip on the latest tax twist down at the launderette, or find a parent ready to debate the finer points of education policy at the school gates. But it's not so bad. Our Harris poll today finds that one in every three voters is interested after all. So all that spin-doctoring, all that extra news coverage, all that charging about in helicopters and generally going faintly potty for six weeks is not a waste of time at all. Pw.

LETTERS TO THE EDITOR

Major misses the real issue on Europe

Sir: John Major's campaign theme that the Conservatives will never take Britain into a federal Europe smacks of hypocrisy.

The European Union has a number of features that make it more typical of a federation than of a traditional inter-governmental organisation, and many of these were willingly accepted or enhanced during Conservative terms of office: majority voting (extended by the Single European Act under Mrs Thatcher and the Maastricht treaty under Mr Major); the primacy of European law over national law (accepted when we joined under Mr Heath); a supreme court of justice (given the power to impose fines on member states by Maastricht, under Mr Major); a directly elected parliament (first elected in 1979 under Mrs Thatcher); an executive commission independent of national governments (whose independence was reinforced by Maastricht under Mr Major); and its own budget revenues (increased in 1984 and 1986 under Mrs Thatcher and in 1992 under Mr Major).

Rather than campaign against what they themselves have helped create, the Conservatives would do better to address the real issues of the European Union, namely how to manage our economic and environmental interdependence in a way that balances effective action with the diversity of the member states. That is what federalism is really supposed to be about and the sooner we drop the rhetoric and face up to reality the better.

RICHARD CORBETT MEP
(Merseyside West, Lab)
Liverpool

Sir: The Prime Minister now states that the Conservatives will not take Britain into a federal European state and that we will not opt for EMU without a referendum.

Does he take the British public for fools? If the first statement is true then the second is irrelevant. If the second statement is true then a referendum could negate the first. A federal European state could not be achieved without EMU and any nation opting for EMU would inevitably have to become part of a federal Europe.

There is only one question we need to ask ourselves. Do we wish to live under laws passed by our own democratically elected parliament or under laws passed by an unelected body of fat cats in Brussels whose only talent is the ability to bury their snouts in the largest trough on the biggest gravy train the world has ever seen?

ROBERT READMAN
Poole, Dorset

Sir: Andrew Marr is right to call the silence of the "timid pro-Europeans" a disgrace (article, 16 April). The "something" he pretends to have missed is of course the irrational feeling of fear and anger that so many people have when the word "Europe" is mentioned. It is interesting to note that few of these Eurosceptics (or at least, the ones I have met) actually know much about Europe. When they do find out, their attitude usually changes.

Curious that some people see a bit of Tory sleaze as a fair price to pay for their own increased prosperity, yet balk at adopting the euro even if that were to mean low fixed-interest mortgages and increased job security. Why? Because they do not want to "surrender sovereignty" to Johnny Foreigner. British sleaze is



apparently preferable to any foreign influence, however decent.
ROBIN PRIOR
Burnham, Buckinghamshire

Legal challenge to Bell is absurd

Sir: You report ("Hamilton legal threat puts Bell on hold", 16 April) that Martin Bell "was advised by the returning officer that describing himself as an 'anti-corruption' candidate could leave him open to a legal challenge". Such advice would seem to be at variance with clearly expressed electoral law.

The returning officer has neither the obligation nor the power to arbitrate upon the descriptions offered by candidates other than to ensure that no more than six words are used. Current Home Office advice to acting returning officers is that if a nomination paper is properly submitted, together with necessary forms and the deposit, the candidate must be accepted.

The acting returning officer cannot go behind a candidate's preferred label and evaluate whether it is appropriate. Several such challenges involving the descriptor "Socialist" have been rejected on that basis since this election was announced. If Mr Hamilton believes he is being defamed then he must put that before a jury in a defamation action.

Martin Bell has now apparently been cowed by Mr Hamilton's lawyers into changing his description to "independent" on the basis that to have persisted with the phrase "independent anti-corruption candidate" could have led to the Tatton election result

being appealed to an election court. The argument of Mr Hamilton is preposterous. If his reasoning is correct then, come 2 May, scores of results up and down the country will be appealable by losing candidates who claim that they were prejudiced by an unfair inscription in the title of another candidate.

Dr GARY SLAPPER
The Law School
Staffordshire University
Stoke-on-Trent

Sir: Clement Freud (My Week, 14 April) was a politician of integrity who during his time in Parliament voted according to his convictions. When I vote for a candidate I expect him to do the same, otherwise our electoral system becomes meaningless.

I should not have to cast my vote for any candidate who will vote according to the wishes of whatever party he happens to belong to. I should be able to trust that my MP will speak his own mind and cast his vote according to his conscience.

We are supposed to enjoy a parliamentary system in this country but as long as the whips wield the power they do, I am unable to choose a candidate on the basis that he will represent me honestly as he and nobody else thinks fit. If we can't get rid of the whips and their bullying tactics, then bring on the independents.

RICHARD WADE
Warrington, Cheshire

Sir: Polly Toynbee speculates ("The horror of a new blue dawn",

14 April) that, if the Conservatives win the election, the anti-Tory majority will rise up with one voice and revolt. That such a thing might happen she blames on our "monstrous voting system".

If the anti-Tory majority would speak with one voice before the election, the problem would not arise. The beauty of our voting system is that it requires those who want a change of government to decide that they want a particular alternative, not just a change.

JULIAN GALL
Godalming, Surrey

Tory squeeze on the poor

Sir: Your leading article of 16 April tells us that the poor may not be significantly worse off in real terms than in 1979. That is too bland by far. Between 1979 and 1994 the income of the bottom 10 per cent fell by 13 per cent in real terms. The income of the top 10 per cent rose by 65 per cent.

Less than 8 per cent of children lived in families on means-tested benefits in 1979. Now 25 per cent of children live in families claiming Income Support and over 10 per cent live in families claiming Family Credit. It is estimated that Income Support for a family of four including two young children is about £35 a week below the amount needed to provide adequate food, clothing, fuel, transport and other necessities. The Low Income Project Team report of the

Government's Nutrition Task Force reports that for many people a healthy diet is beyond their means.

The Commission on Social Justice showed that the poor are dying younger now than in 1981. The rich are living longer. The British Medical Journal reported in February this year that professional workers could now expect to live over five years longer than unskilled manual workers whose life expectancy has diminished. The reasons given are stress, inadequate health care and inadequate diet. It all adds up to "the poor are significantly worse off in real terms now than in 1979".

The Rev PAUL NICOLSON
Chairman
Zacchaeus Trust
Turville, Buckinghamshire

Postal pledge

Sir: It is certainly not the case, as claimed in your articles about the Alliance & Leicester mailing (Business, 11 and 12 April), that "Royal Mail can only guarantee to deliver 98.8 per cent of mail posted".

In fact, we aim to deliver every item of mail as quickly as possible. Obviously, with large postings the mailing lists can contain errors, however stringently they are checked, and Royal Mail cannot be held responsible for failing to deliver letters that, for example, are wrongly addressed or whose intended recipients have moved without giving their new address.

JOHN TEW
Director and General Manager
Royal Mail, Oxford

Old soldiers never brawled

Sir: I am grieved to read of the "moral problems of troops sent to the Falklands on four-month postings, deprived of female company" (report, 14 April).

As a National Service airman in the 1950s I spent 18 months in Aden, also deprived of female company and with only the camp cinema and Naafi for entertainment. No videos, no phone calls home, and the food was pretty poor. This was repeated at isolated spots all over the Middle and Far East and yet we did not feel the need to half-kill each other — in fact, it made us more tolerant of each other's faults.

The men in the Falklands should grow up and thank their lucky stars that overseas postings are reduced to such paltry periods.

TN HANCOCK
Lincoln

Ban those cars

Sir: Your article on the World Squares pedestrianisation project in London (17 April) asks where all the traffic will go. While we all now accept that new roads generate new traffic, many people have not yet grasped the corollary — that taking road space away reduces traffic.

It is unfortunate that many fine schemes for removing vehicles from our town centres fail to be implemented through unfounded concerns over the impact of displaced traffic. In most cases there will be a drop in total traffic. Princes Street in Edinburgh is a notable example.

PHIL JONES
Kilver, Staffordshire

Pioneer of billboard art

Sir: Paul McCann's article "Art goes public as students tap into billboard power" (14 April) typifies the cultural amnesia prevalent in the Nineties.

Billboard art, for want of a better term, was not pioneered by Barbara Kruger, but by the French radical painter Daniel Buren, in 1968. His stripe posters on the Paris Métro, *Legends I and II*, dealt with the cancelling of the commodity status of art. By evincing the gallery's stranglehold on meaning, he demonstrates that the work of art is governed as much by invisible economic factors as by cultural ones. The fact that art students are moving into the advertising business would suggest that today's artists are also governed primarily by economic factors.

M CRAIG
Rayleigh, Essex

Battle for the digital airwaves

Sir: Jeremy Warner was, unusually, misguided in his piece (12 April) on the contest for the ITC's Digital Terrestrial Television (DTT) licences. Most importantly, Digital Television Network (DTN) has at no point advocated splitting the award of the licences. We have, by far, the better thought-out proposal. If the ITC opt for an approach whereby DTT competes directly with digital satellite services, then the logic must be to award all three multiplexes to DTN, otherwise we would be competing with BSkyB with one hand tied behind our backs.

Mr Warner suggests that there are doubts about the commercial viability of DTT. Our experience in the multi-channel television market shows us that there is a very attractive commercial opportunity. This now seems increasingly to be the view in the City. The market for multi-channel television has been artificially constrained by the high entry price levied by BSkyB and the infeasible way in which only large bundles of programming are offered to the viewer.

The best future for British broadcasting is to have DTT as a competitor to digital satellite. BSkyB has clearly indicated that it will always give priority to its satellite business, the other British Digital Broadcasting shareholders also have substantial other broadcasting businesses whose interests they may wish to promote in preference to the digital terrestrial platform.

In contrast, DTN's bid has an unambiguous, well-funded and clear-sighted objective of spreading DTT take-up as quickly as possible.

JAMES GATWARD
Chairman
Digital Television Network
London SW1

That kind of idiot

Sir: Toby Stone (letter, 16 April) asks: "What kind of idiots do the Conservatives think voters are?" To this must come the reply: "The kind of idiots that have kept them in office for the past 18 years."

I sympathise with Mr Stone's discomfited over Tory attacks on Mr Blair's policy U-turns. I can only offer the reassurance that U-turns of similar magnitude did not do excessive damage to Mr Major's political career — witness the poll tax fiasco.

TOBY NANGLE
Sidney Sussex College, Cambridge

Post letters to Letters to the Editor, and include a daytime telephone number. Fax: 071-293 2056; e-mail: letters@independent.co.uk. E-mail correspondents are asked to give a postal address. Letters may be edited for length and clarity. We regret we are unable to acknowledge unpublished letters.

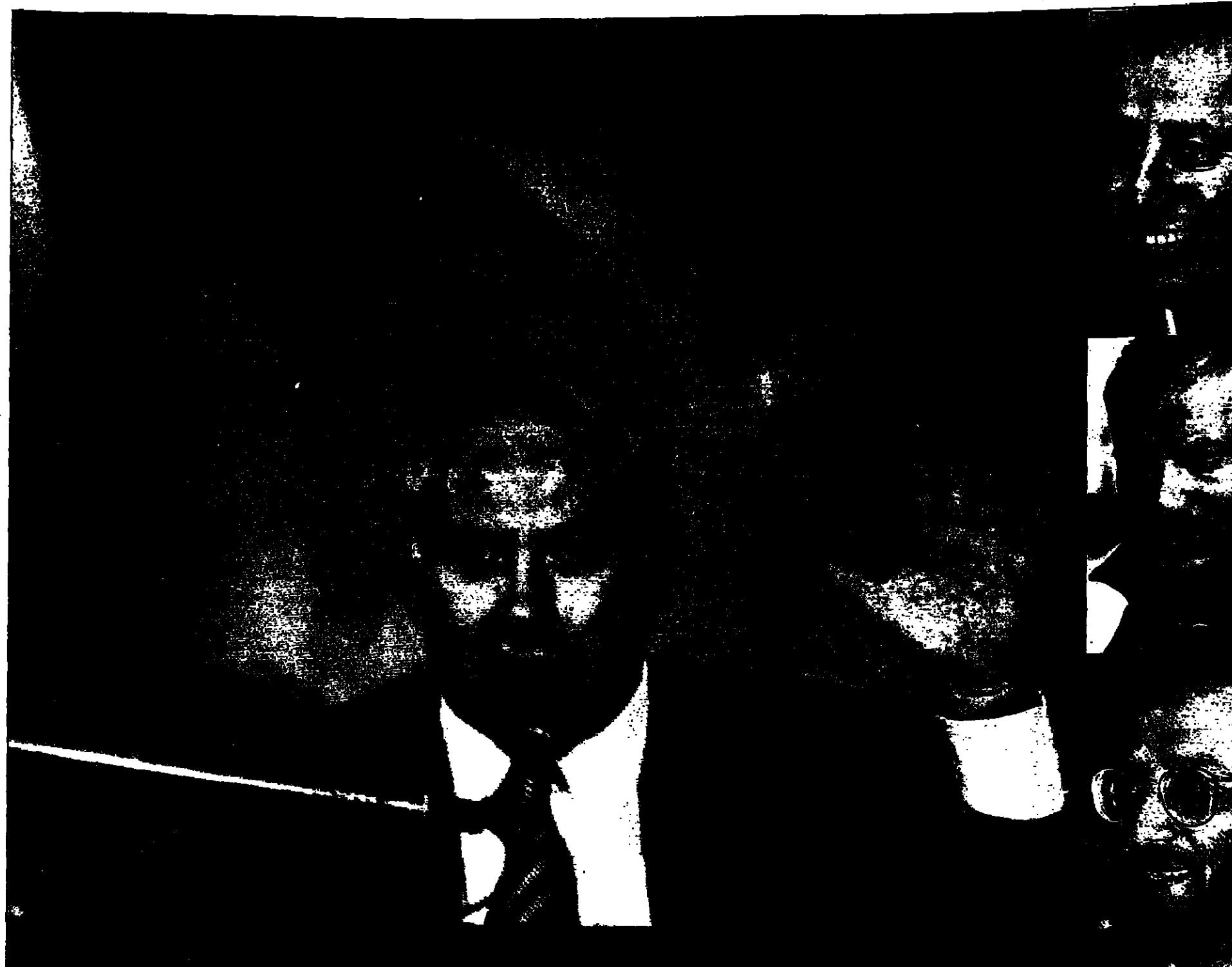
analysis

Not since Watergate has a national leader been in as much trouble as Benjamin Netanyahu, but the parallels with Richard Nixon's travails go even deeper, argues Patrick Cockburn

The cliché finally came true. For 25 years almost every political scandal in the world has been routinely and tediously compared to Watergate. Often the real parallels were limited. But not in the case of the scandal that may now bring an abrupt end to the career of Benjamin Netanyahu, the prime minister of Israel. His decline and probable fall are extraordinarily similar to the characters involved, their motives, the bureaucratic battles in the background – to what happened to President Richard Nixon in 1972-73.

Mr Netanyahu's character, as frequently noted in Israel, is very like that of Mr Nixon. Both had a meteoric rise to power. Neither had many scruples. They shared a paranoid and self-fulfilling belief that they were surrounded by enemies. In response they surrounded themselves with wholly loyal and subservient henchmen. Mr Nixon chose John Ehrlichman and HR Haldeman as his chief retainers; Mr Netanyahu relied on people from outside the political elite such as Avigdor Lieberman, director general of his office, and Tzahi Hanegbi, the Justice Minister. Israeli police now want to put both men on trial, along with the prime minister himself.

But there is another, less obvious, parallel between the



Isolated and unpopular: Benjamin Netanyahu, and key players in the scandal (from top) Tzahi Hanegbi, Avigdor Lieberman and Aryeh Deri

Friendless in Jerusalem

political disasters that engulfed President Nixon and those that now threaten Mr Netanyahu. Each in his own way had offended the powers that be, the bureaucracy of army and state. Mr Nixon could not get the CIA to say that the Watergate burglary was carried out for security reasons. Likewise in his 10 months in office Mr Netanyahu has offended the army, police, security services and judiciary as well as members of his own cabinet. It was no accident that Israel army radio began its programmes yesterday by playing: "Oh what a beautiful morning. Oh what a beautiful day."

This is the reason for thinking that Mr Netanyahu will fall. He is isolated. His cabinet ministers were slow – as the

news spread that police wanted him indicted for "fraud and breach of trust" – to come to his defence. And when they did so few spoke with any enthusiasm. If he is indicted by Elyakim Rubinstein, the attorney general, on Sunday, he will probably go immediately. If he is not, then the process will take longer, but he is unlikely to be in office at the end of the summer. Much will depend on the ability of other members of his right-wing Likud party to unite behind an alternative leader.

It is a measure of Mr Netanyahu's unpopularity that most Israeli commentators gleefully expect him to fall even though the case against him is not very strong. Evidence of his involvement in the so-called "Bar-On affair" depends

largely on witnesses of uncertain reliability.

Not that many people have any doubt about Mr Netanyahu's general intentions. The scandal started last December. The former, highly respected attorney-general Michael Ben-Yair took the hint that it was time for him to go. Mr Ben-Yair had already forced Mr Netanyahu to get rid of his first choice as justice minister, because he was accused of making false statements to the Supreme Court. Ehud Olmert, the Likud mayor of Jerusalem, is on trial for electoral fraud in the 1988 election. Other officials in trouble included a director of Mr Netanyahu's private office accused of making threatening calls to women, several of whom had complained to the police.

But there was one powerful figure in Israeli politics in greater need than others of a sympathetic hearing from the legal establishment. This was Aryeh Deri, a former interior minister and the leader of the religious party Shas, the third-largest party in the Knesset, whose 10 seats are crucial to Mr Netanyahu's coalition government. Mr Deri's long trial for corruption has been part of the background to Israeli politics for several years. It was drawing to an end and Mr Deri, a mercurial politician with great organisational talents, was

looking for a deal that would enable him to resume his seat in the cabinet.

Mr Netanyahu resolved to help him. What happened next is in dispute. But it is alleged that Mr Deri managed to get an attorney-general's office to issue an appointment to a "judicial soft-landing". Exactly how he did so is the

subject of a 995-page police report handed to the present attorney-general, and Edna Arbel, the state attorney, this week. The police believe a corrupt deal was done. They think Mr Deri was promised the attorney-general of his choice, one who, either through a plea-bargain or an amnesty, would allow the Shas leader to walk free.

It was here that Mr Netanyahu showed his naïveté and his aides their inexperience. They could have chosen one of many prominent right-wing lawyers. Instead, on 10 January, Mr Netanyahu forced through his cabinet the appointment of an obscure Jerusalem attorney and Likud party loyalist called Roni Bar-On. The attorney-general in Israel is usually a lawyer of standing. The very depth of Mr Bar-On's obscurity tended to

highlight the motive for his appointment. The only explanation was that he was expected to go easy on Mr Netanyahu's friends and allies.

Mr Bar-On was laughed out of office. The Israeli media called him a "pale horse". Law professors continued to issue an hysterical denunciation of his appointment. Abaron Barak, the chief justice, denied (contrary to what Mr Hanegbi, the justice minister, had told the cabinet) that he approved of the appointment.

Amid much confusion Mr Bar-On resigned after less than 24 hours in his post. He never even saw his office in the Justice Ministry.

There it might have rested. But two weeks later Ayalah Hassan, a reporter on Israeli television channel 1, made a sensational claim in a brief item on the nightly news. She said that Mr Deri had insisted on the appointment of Mr Bar-On in order to obtain a plea-bargain. She further claimed – and it was this which ignited an immediate political explosion – that Mr Deri had threatened that if he did not get his way his party would vote against the agreement on the partial Israeli withdrawal from Hebron just

signed with the Palestinians. Thus the so-called "Bar-On for Hebron" affair was born.

Of course nothing is quite as simple as this in Israeli politics. Mr Deri's own lawyer, Dan Avi-Yitzhak, had wanted the job of attorney-general for himself. When Mr Deri, not wanting to lose his legal representative in the middle of his trial, blocked the appointment, Mr Avi-Yitzhak resigned and denounced his former client. He has since become the police's main witness on how and why Mr Bar-On was appointed, including the involvement of Mr Netanyahu.

As details of the "Bar-On Affair" were published, Israeli commentators spoke of the "Italianisation" of Israeli politics. Everybody touched by the case seemed to have shadowy, if not corrupt, motives. Mr Netanyahu turns out to know a surprising number of people on the edge of the law. In politics he has always lived dangerously. In 1993, for example, he admitted his adultery on television, but claimed he was being blackmailed with an incriminating video of the affair by his political enemies.

Has Mr Netanyahu now come to the end of the road? He will certainly fight back. The only picture on the wall of his office, apart from family portraits, is of Gama, above the Sea of Galilee, where Jews jumped to their

deaths to escape the attack of the Roman legions. He has a Messianic view of his role. If the American politician of the previous generation he most resembles is Richard Nixon, his present-day counterpart is probably Newt Gingrich, the Republican Speaker of the House of Representatives. Like him the Israeli prime minister owes his rise to his glitz on television, mostly American television, his rich baritone voice dominating interviews and press conferences.

But like Mr Gingrich he often appears rootless and rudderless. Leaders as diverse as King Hussein and Ariel Sharon, his minister of infrastructure, have said publicly that they no longer believe a word he says to them. He has few friends. He has relied on a small kitchen cabinet of advisers including Mr Lieberman, David Bar-Ilan, his chief spokesman, and Dore Gold, his foreign policy adviser. He won the election to be prime minister in 1996 by only 30,000 votes and since then his popularity has not increased. It is this political isolation that may doom him as much as the gravity of the accusations made by the police.

It is a measure of Mr Netanyahu's failure to assert his authority within the Israeli government machine that he only knew that the police wanted to charge him minutes before it was announced on television on Thursday night. He may now be paying a price for alienating so much of the Israeli establishment since he took office. Not that they ever regarded him with much sympathy. Asked what he thought of Mr Netanyahu's government, soon after it was formed last June, one conservative Israeli banker replied: "I have never seen a government here so full of crooks and war criminals."

This is a little harsh. But Mr Netanyahu came from outside the Israeli government system. He had made his career as an Israeli diplomat in Washington and New York who could speak on the US television. He had more friends among American columnists and talk-show hosts than their counterparts back in Israel. It is this which made him leader of the right-wing Likud party. Right-wing American Jewish millionaires financed his campaign. American advisers helped him win last year's election. The Israeli right suspects him of willingness to give in under American pressure on issues like Hebron.

Palestinians are jubilant that Mr Netanyahu may go. But it does not necessarily follow that his departure will remove all the difficulties facing the Oslo accords. Israelis are not turning against him because he built a Jewish settlement at Har Homa. A majority of Israeli Jews voted for parties in effect opposing Oslo in the last election.

If Netanyahu stays, his authority will be crippled. If he goes, Israel will have had three prime ministers in 18 months. This is a symptom of great political instability, of deep divisions within Israeli society, which perhaps only a final agreement with the Palestinians can bring to an end.

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A nice how-d'ye-do about a man called Hajdu

I was in the pub the other day carrying a book with me, on the principle that books are a good substitute for conversation. If there's nobody to talk to, you can pull a book out and start reading it. I find this pays off in supermarket check-out queues, when you have to wait for 10 minutes for the woman in front to find her credit card.

"What's that book, then?" said the man next to me, who for the purposes of this conversation I shall identify as "the man".

"You wouldn't be interested," I said.

"How do you know?" said the man.

"Because you're not interested in books," said his wife, whom I shall refer to as "his wife", although this may have unfortunate possessive overtones to feminist ears.

"I'm not interested in all books," said the man defensively, "but I'm interested in some books. By the law of averages, there's bound to be some books I'm interested in. What book is it?"

"It's a biography of Billy Strayhorn," I said.

There was a long pause.

"You're right," said the

man. "I'm not interested in that. It's a rule of mine that if you've never heard of the bloke the book's about, there's a fair chance you're not going to be much interested in his life. Is it by anyone famous?"

"A man called David Hajdu," I said, showing him the book.

"Now I'm interested again," said the man. "I'm interested in how anyone can have a name like that."

"No, you're not," said his wife. "You've never been interested in names."

"Not before," said the man. "But I'd never met a name like Hajdu. I'm interested now. Where's he from?"

"America," I said.

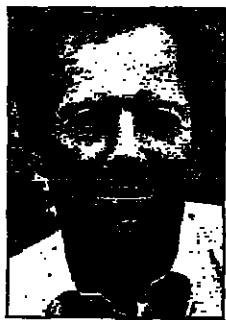
"Well, that's no clue," said the man. "Could be from anywhere, an American name. Hajdu. Hajdu."

"Sounds Albanian to me," I said. "The Albanians specialise in those names that look like leftover Scrabble hands. Ever Hoxha, for instance."

"Could be," said the man. "Hajdu ..."

"How do you do?" said the landlord, arriving at this moment.

"Interesting that you



Miles Kingston

heard the name 'Hajdu' as 'How d'ye do?' said the man. "It just goes to show that we never really think about what we're saying."

"What are you talking about?" said his wife. "I always think about what I am saying."

"No, you don't," said the man. "This morning I heard you say you were on tenterhooks. But you don't know what tenterhooks are."

"I bet you don't know either," said the wife.

"No, I don't," said the man. "But I don't go around

talking about tenterhooks."

"I'll give you another example. We don't talk about stupid children any more."

"We talk about children with learning difficulties. But we still talk about bad teachers. We don't talk about grown-ups with teaching difficulties."

There was a silence here. Everyone knew he had made a good point, but nobody knew what it was. When this happens, you either wait for clarification or change the subject. I changed the subject.

"I'll tell you one expression which has always puzzled me," I said, "and that is that strange euphemism for sex – to have 'carnal knowledge' of someone. In my experience, knowledge is very seldom involved. I think to have 'carnal ignorance' of someone would be nearer the mark."

The wife frowned, but the man smiled and nodded, as if reminded of some private memory.

"You're right," he said. "And how about 'worried stiff'?" That's a strange expression when you think about it. When I'm worried, I don't stiffen. I collapse. I fold up. 'Worried limp' would be nearer the mark than 'worried stiff'."

He looked at the book again.

"Hajdu," he said. "Where else would you find a name like that but in America? Or Albania," he said to me, as a concession.

"In film credits," said his wife. "The weirdest names always crop up in film credits. Of all nations."

"Name one," said the man. "I knew you might ask."

"The wife," he said. "I wrote one down I saw on TV the other day. Here it is." She searched in her handbag.

"Rudd Weatherwax," she read from a small notepad.

"What film did you find that in?" said the man scornfully.

"All the old Lassie films have it. There's a credit saying 'Lassie trained by Rudd Weatherwax'."

There was a pause. The man drained his glass.

"What would you like?" he said to me.

A chance to read my book, I thought. But it was too late. I was trapped inside another pub conversation. It was my fault for bringing a book, really.

من الأصل

Their failures over BSE and fishing have been a direct result of their internal divisions, which have made Britain's negotiating position intolerably weak.

This week has been as dramatic as it was predictable. The divisions of a weak-led party have become irreconcilable, for the first time. Each side can claim that this election is of no importance. A re-elected Conservative government simply could not lead Britain. Britain, truly, deserves better than this. Under Labour it will get it.

And while the Tories implode over Europe we will continue to set out policies in the other areas of real concern to the British people – jobs, crime, education, health. Just as they are divided on Europe, so, if the Tories get back, divisions will emerge in these areas too. There is an ungovernable party, truly at large.

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business & city

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Co-op suspends two bosses over 'breach of trust'

Alleged link with Andrew Regan leads to investigation
Nigel Cope
City Correspondent

Two of the most powerful men in the Co-operative Wholesale Society were suspended yesterday amid suspicions they were in league with Andrew Regan and his Lanica Trust vehicle, which is interested in acquiring parts of the business.

As details began to emerge of secret meetings, photographic evidence and logged telephone calls, the CWS moved yesterday lunchtime to suspend Allan Green, controller of the CWS retailing division, and David Chambers, chief general manager of the buying, marketing and supply chain. Both left the CWS offices in Manchester immediately.

The Co-op said the suspensions "arose from a suspected recent serious breach of trust". The CWS has also appointed Linklaters & Paines, the City law firm, and KPMG, the chartered accountancy, to conduct an investigation into business dealings between the divisions managed by the two men and "companies controlled by Andrew Regan in the period 1994 to 1997".

This includes the period dating back to the sale of the CWS's food manufacturing business to Mr Regan when he was running Hobson, a food company he later sold.

The implication is that the Co-op believes that the two managers had been helping Mr Regan in his attempts to buy parts of the Co-op.

It is understood that Mr Green and Mr Chambers had been holding secret talks with Mr Regan regarding a possible deal. The CWS is also thought to be looking at the trading relationship between Hobson and the CWS.

The Serious Fraud Office said it was not investigating the

affair and would not say whether it had been contacted by the Co-op.

It is not yet clear whether Mr Green and Mr Chambers benefited personally from the sale of the food manufacturing business to Mr Regan, or if they stood to gain from any subsequent deal with Lanica Trust.

CWS first became suspicious when confidential information on its affairs, available to only a small group of senior executives, appeared recently in a Sunday newspaper. CWS believes the story was placed by Lanica which had somehow managed to obtain the information.

The CWS confronted Mr Green but he denied the allegations.

The CWS subsequently obtained photographic evidence of secret meetings between Mr Green and Mr Regan.

Details of telephone calls between Mr Green and Mr Regan's home and office were also obtained.

Mr Green was interviewed at length about the matter yesterday morning and confronted with the photographic and tele-

phone evidence. However, he still denied it. He was then suspended immediately together with Mr Chambers with whom he has been working closely.

Further developments are expected though the CWS would not say yesterday whether any other suspensions are likely.

It is possible that Mr Regan had more "friendly" sources within the movement.

As Mr Green was a member of the CWS executive committee his suspension depletes that group yet further. Following the decision of John Owen, the head of the specialist retail business, to step down from the committee earlier this month there are now only three of the original five members left.

The CWS said yesterday that chief executive Graham Melmoth will take over Mr Green's responsibilities as controller of the retail division until further notice.

Mr Green joined the CWS in 1990 from Booker, the cash-and-carry group where he was a buying director. In January he was made head of the buying, marketing and supply chain. He also headed the Co-operative Retail Trading Group, a buying consortium.

Mr Chambers joined the CWS in 1993 from Poundstretcher, the discount retailer. Their suspensions will come as a devastating blow to the morale of the CWS as it faces the greatest challenge in its long history.

However, it may draw comfort from having taken this action and hope that it spikes Mr Regan's guns.

It may ultimately prove a bigger blow to Mr Regan if his route to the top is blocked. The CWS is unlikely to have dealings with him.

Comment, page 23



Allan Green: Evidence of 'secret meetings'



KIL TAX

Elusive carrot: Kenneth Clarke (left) came within an ace of meeting the Government's 2.5 inflation target. The main reason for the slowdown was a sharp drop in the price of seasonal foods in the supermarkets during March. They tumbled by 2.6 per cent to a level 15.6 per cent lower than a year earlier

'Vegetables are saving Clarke's bacon'

Diane Coyle
Economics Editor

Inflation slowed last month thanks to a big fall in vegetable prices, but it was not quite enough to give the Government the pleasure of claiming it had finally hit its 2.5 per cent inflation target.

Kenneth Clarke, Chancellor, said: "Britain's economy is booming while inflation stays well under control." The Conservatives had achieved the longest period of low inflation for half a century, he said.

But shadow chancellor Gordon Brown accused the Government of failing to meet its own target. "The Prime Minister and the Chancellor both

promised they would hit their inflation target of 2.5 per cent or less by the end of the Parliament but they have failed to do so," he said.

Meanwhile, Malcolm Bruce for the Liberal Democrats predicted that the boom would end in bust.

Headline inflation declined from 2.7 to 2.6 per cent, while the underlying target measure, which excludes mortgage interest payments, fell from 2.9 to 2.7 per cent.

The main reason for the slowdown was a sharp drop in the price of seasonal foods during March.

They tumbled by 2.6 per cent to a level 15.6 per cent lower than a year earlier,

thanks to the effect of mild weather on the vegetable crop. Potatoes, for instance, have fallen 45 per cent in price during the past 12 months. Greens like cauliflowers, lettuce and cucumbers are one-fifth cheaper than a year ago.

As Simon Briscoe, economist at the Japanese bank Nikko, put it: "It is a case of vegetables saving Clarke's bacon."

The strong pound has also helped trim the price of imported foods.

Other items, especially high street categories like household goods and clothing and footwear, jumped unexpectedly.

"Cost inflation is still tumbling but retailers are also trying their luck with prices," said John O-

Sullivan at NatWest Markets.

The pace at which the price of services is rising held steady at 3.3 per cent last month. However, a pick-up in wages in the services sector is likely to set service price inflation back on its year-long upward trend.

Some City experts believe the inflation threat is overblown. "Not for the first time people in the markets and the media are getting scared about inflation quite out of proportion to the situation on the ground," said Roger Bootle of HSBC Markets.

But most found worrying signals in yesterday's figures. Simon Briscoe, one of the few analysts to have been arguing that the economy is not booming enough to justify higher in-

terest rates, admitted yesterday: "It looks as if the stronger demand in the high street has prompted retailers to raise prices."

Most economists think there is a good chance underlying inflation will hit the 2.5 per cent target, briefly, at some point this year. This will be the first time since the end of 1994 that it has done so.

However, an increase in interest rates remains on the cards after the election because the economy is expanding fast enough to drive inflation up again later this year.

The financial markets expect base rates to be a percentage point higher at 7 per cent by the end of this year.

City greets Aston Villa stock market launch with enthusiasm

Jim Levi

City institutions have given an enthusiastic reception to Aston Villa's stock market launch. A placing of 1.36 million shares in Birmingham's only Premier League club at £11 each had been "very, very well received," said Chris Hawkey of sponsoring brokers Albert E Sharp.

Mr Hawkey expects the institutional placing to be oversubscribed three times. The terms give the business, including £30m worth of freehold stadium and training grounds, a stock market tag of £126m.

Doug Ellis, chairman of Villa,

predicted the parallel public offering of 454,545 shares also at £11 a share, aimed at Villa players, staff and fans, could be oversubscribed five or six times. The public offering is for a minimum of 40 shares at a cost of £440.

Mr Ellis, who rescued the club from a financial crisis in the late Sixties and whose family will retain a 38 per cent stake in the company, claimed the City's enthusiasm was prompted by the financial strength of the business and its conservative management approach.

"This is a business that has been run as a business, not as

a fantasy," Mr Ellis said. "We at Aston Villa have possibly the best balance sheet you could find among Premiership football clubs."

The club's strategy, he said, was based on funding the purchase of players and their wages entirely out of operating profits. The club was debt-free though it had a £10m overdraft facility. The flotation will raise around £15m of new money, enough to fund plans to raise the Villa Park stadium's capacity from 40,000 to 50,000.

Dealings in the Villa shares are expected to start on 7 May. People & Business, page 25

BT Spanish coup red rag to AT&T bull

Chris Godsmark
Business Correspondent

British Telecom and its US partner, MCI, are today expected to sign a global alliance with Spain's telephone group, Telefonica, securing a big coup over AT&T, their main rival in the fast-growing market for international business communications.

The privatised Spanish network last night called a press conference for today to announce what it said would be an "international alliance". Neither Telefonica nor BT would confirm that the link-up involved the two sides, though unless the Spanish group pulls out of the signing ceremony at the last

minute the deal appeared to be concluded. Sir Iain Vallance, BT chairman, was thought to be planning to fly to Madrid for the announcement.

The alliance will give Concert, the BT/MCI global business communications venture, a significant headstart over rivals in the rapidly expanding market in Latin America, where Telefonica has a substantial foothold. Earlier this week BT/MCI concluded a similar alliance with Portugal Telecom, which gave them a potential link-up with Brazil's state telephone operator, Telebras. The phone market there is worth \$14bn (£8.6bn), accounting for 40 per cent of Latin America.

The Telefonica deal is ex-

pected to involve the Spanish group taking cross-shareholdings with Portugal Telecom. At last week's signing ceremony the Portuguese made the bizarre mistake of accidentally issuing a press statement about a "pan-American joint venture" between MCI and Telefonica, only to immediately withdraw it.

Discussions between BT and Telefonica have continued for several weeks as it became clear the Spanish company was unhappy with its existing alliance with Unisource, a grouping of smaller European phone networks with AT&T, the US long-distance giant. Telefonica has a 25 per cent stake in Unisource, though the alliance is regarded by analysts as

having been slow to make inroads into the business market.

The talks incensed AT&T, which has been struggling to outline its international strategy to investors in the face of competition from Concert and Global One, the link-up between Sprint of the US, Deutsche Telekom and France Telecom. Direct appeals to Juan Villalonga, Telefonica chairman, from AT&T's top management have apparently failed to repair the rift.

The prize for BT is Telefonica's valuable shareholdings in South American carriers through Tisa, its international arm. BT and MCI are believed to have agreed to buy stakes in Tisa to cement the relationship.

Telefonica owns 18 per cent of Telefonos de Argentina, has a 31.5 per cent stake in Telefonos del Peru and owns 43.6 per cent of Chile's telephone network. All have much greater growth potential than the more mature US and European markets.

Michael Hepburn, an analyst with stockbrokers Hoare Govett, explained: "Telefonica is considered to have the best track record in Latin America." The Spanish deal will end a historic week for BT, which apart from the Portuguese alliance included the overwhelming vote by shareholders at an extraordinary general meeting to approve the £12.5bn merger with MCI.

'One more mistake and I'll go quietly'

Nigel Cope
City Correspondent

Brian McGowan yesterday pledged to "fall on his sword" as chairman of the struggling House of Fraser department store group if the company made any more mistakes.

The promise came as John Coleman, chief executive, admitted that some of the merchandise it was contracted to buy was "crap". This explains why the group has carried forward a large provision to cover

er stock write-offs this year for merchandise that has yet to go on sale in its shops.

Speaking at House of Fraser announced heavy losses due to large stock write-downs and redundancy costs, Mr McGowan said he would leave the group without compensation if there were any further provisions or if the latest attempt to regenerate the company failed.

"I will fall on my sword if John Coleman doesn't deliver to shareholders," he said. He said if there were any further

provisions, then "that would be another reason to take the plunge".

"There is no point in making out that this has been a happy last three years. I can assure you that it hasn't been a happy story for me either."

He said that if he did leave, or was pushed out of the group, he would go without compensation as he had no contract with the company. Mr McGowan was brought in at great expense to chair House of Fraser when it was floated off from

Harrods in 1994. But its performance has been undermined by poor merchandise and weak sales. The shares have rarely risen above the 180p issue price since late 1994. Yesterday they closed at 165p, up 0.5p.

The full scale of the stock problems became clear yesterday when it emerged that the company had carried forward a £32.5m provision. This will cover redundancy costs and store disposals but also further stock write-offs. Asked whether this meant that the company had

contracted to buy "crap", Mr Coleman replied "yes".

Mr Coleman stressed that House of Fraser now had a new buying team and the new merchandise would soon start to show through.

House of Fraser will launch a new private label brand in the summer which will include men's and women's ranges.

The company recorded a £38.4m loss last year compared to a £14m profit in 1995 due to exceptional cost of £53.2m. Investment column, page 25



Walk away: Brian McGowan would not be compensated

STOCK MARKETS									
FTSE 100		Dow Jones		Nikkei		HSE 100		HSE 250	
Index	Close	Day's change	Change (%)	Index	Close	Day's change	Change (%)	Index	Close
FTSE 100	4298.90	+4.30	+0.1	4444.30	4058.80	3.76		4298.90	4298.90
FTSE 250	4524.90	+0.30	+0.0	4729.40	4459.40	3.55		4524.90	4524.90
FTSE 350	2117.70	+1.70	+0.1	2194.30	2017.80	3.71		2117.70	2117.70
FTSE 400	2298.58	+1.57	+0.1	2374.20	2178.29	3.04		2298.58	2298.58
FTSE 500	2088.10	+1.64	+0.1	2163.94	1989.78	3.68		2088.10	2088.10
FTSE All-Share	6705.56	+25.89	+0.4	7085.16	5032.94	1.94		6705.56	6705.56
FTSE 100	4298.90	+4.30	+0.1	4444.30	4058.80	3.76		4298.90	4298.90
FTSE 250	4524.90	+0.30	+0.0	4729.40	4459.40	3.55		4524.90	4524.90
FTSE 350	2117.70	+1.70	+0.1	2194.30	2017.80	3.71		2117.70	2117.70
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INTEREST RATES									
Short sterling		UK medium gilt		US long bond		Euro short		Euro long	
Index	1 Month	1 Year	3 Month	1 Year	3 Month	Index	1 Month	1 Year	3 Month
UK	0.05	0.94	7.48	8.12	7.57	8.22			
US	5.89	6.25	6.88	6.92	7.05	6.91			
Japan	0.58	0.62	2.18	3.35					
Germany	3.16	3.38	5.80	6.40	6.50				
MAIN PRICE CHANGES									
Index	Price	Change	Index	Price	Change	Index	Price	Change	Index
US S&P 500	462	23	5.4	South Africa	430	15	3.4		
Canada S&P 500	328.5	22	6.3	Chad/Cameroon	374	10	2.6		
Spain S&P 500	733	28	3.7	Smith & Nephew	178.3	3.8	2.1		

Year: Tick marks indicate year and 100 Pound, 100 Dollar, 100 Euro, 100 Yen

Pound				Dollar			
	Yesterday	Change	Year Ago		Yesterday	Change	Year Ago
\$ (London)	1.6221	-0.33c	1.5085	£ (London)	0.6165	+0.13	0.6820
\$ (New York)	1.6245	-0.10c	1.5087	£ (New York)	0.6156	+0.04	0.6824
DM (London)	2.8040	-1.45p	2.2727	DM (London)	1.7286	-0.53p	1.5073
¥ (London)	204.060	-71.285	183.267	¥ (London)	125.800	-20.535	108.235
£ Index	99.7	-0.4	88.8	¥ Index	108.0	-0.1	96.8

Source: Reuters, 10/10/99

OTHER INDICATORS				Index			
	Yesterday	Day's	Year Ago		Index	Change	Year Ago
100 Brent \$	17.83	-0.06	19.12	RPI	758.0	2.7	150.9
Gold \$	343.05	+2.7	291.45	GDP	109.7	+2.8	107.0
Gold £	210.60	-0.78	259.50	Base Rates	-	-6.00pc	6.75

Source: Reuters, 10/10/99

business

Names will dig deeper to back underwriting

Tom Stevenson
City Editor

Lloyd's of London's individual members, or names, will be asked to stump up greater funds to back their underwriting capacity at their insurance market if far-reaching proposals unveiled yesterday are accepted.

The planned changes are expected to accelerate the market's recent trend away from its traditional backing by individual members with unlimited liability towards a more modern insurance market in the hands of limited-liability corporate members.

Andrew Duguid, the secretary to Lloyd's Council who was responsible for pulling the proposals together, said increasing scrutiny of insurers' security and the need to enhance Lloyd's competitiveness following the disastrous losses of recent years had acted as a catalyst to the review.

He admitted that an imminent credit rating for the whole Lloyd's market from credit rating agency S&P had also been a stimulus for the changes.

"The achievement of Lloyd's reconstruction and renewal plan has undoubtedly improved the perception of Lloyd's security," but Lloyd's cannot expect exemption from the increasing trend towards thorough scrutiny of all insurers and reinsurers, Mr Duguid said.

He admitted the measures might lead to some of Lloyd's 10,000 individual members reducing their exposure or even quitting the market altogether but he denied that the more stringent requirements represented a deliberate attempt to discriminate against individual members. He said they would make the market more transparent and level the playing field between individual and corporate members.

The changes will ultimately see individual members being treated more or less the same as their corporate counterparts. They will have to lodge progressively greater funds in trust with Lloyd's, headed by David Rowland, to back their underwriting until their collateral matches the proportion put up by corporates and they will have to show greater total means to provide security for their activities at Lloyd's.

Currently, individual members can underwrite premiums with as little as 20 per cent of their exposure held at Lloyd's in trust, while corporates put up

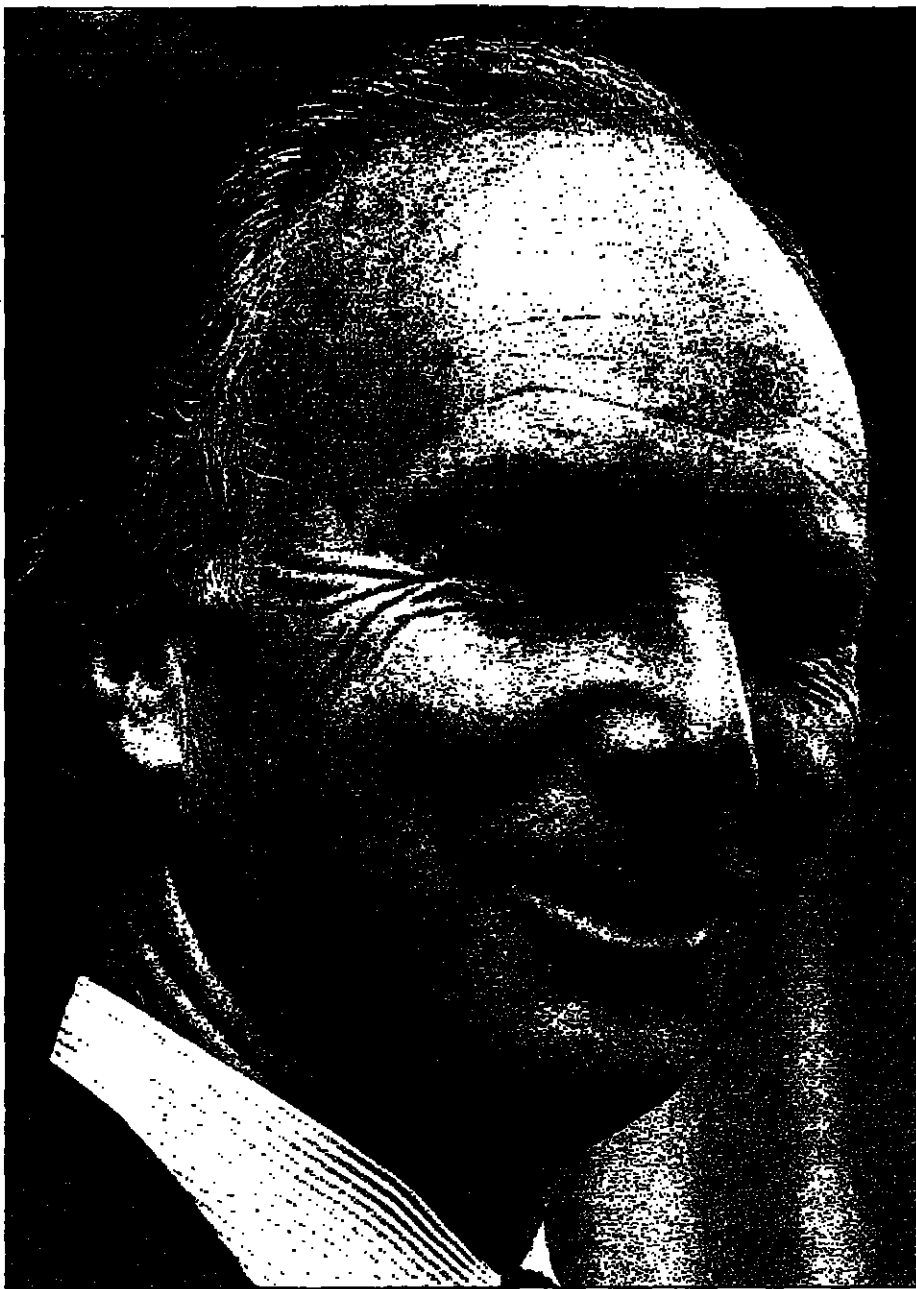
at least 50 per cent and more in cases where they are perceived to have a narrow exposure to a small number of underwriting syndicates.

From next year individuals must lodge 40 per cent of their proposed exposure, rising to 50 per cent by 1999, three-quarters of which must be in the form of funds held in trust at Lloyd's.

If they choose to provide some collateral in the form of other personal wealth, held outside Lloyd's, they will be expected to provide evidence of greater assets than if all their collateral is lodged with the market, to compensate for the greater perceived risk that these assets will not be available to pay for underwriting losses.

By 1999, the minimum total means requirement, which includes funds held at Lloyd's and other personal wealth, will have risen from £250,000 to £350,000. Also by that year, personal homes will no longer be acceptable as collateral for the letters of credit that names have traditionally used as part of their funds held at Lloyd's.

The changes are part of a review of all aspects of security at Lloyd's including the adequacy of criteria used to regulate policyholders' premiums.



Under review: David Rowland of Lloyd's of London, which is proposing far-reaching changes on how names should meet future financial commitments

BA to sell catering operation

Chris Godsmark
Business Correspondent

British Airways' in-flight catering business at Heathrow Airport was put up for sale yesterday, a move which could lead to a bidding scramble among the world's leading airline catering companies.

The news was seen as one of the most important opportunities to expand in the rapidly consolidating in-flight catering market, which is thought to be worth as much as £1bn annually in the UK. It is also the latest step in British Airways' drive to find £1bn of efficiency savings by 2000 through the closure, sale or outsourcing of operations.

British Airways made the decision to sell the business, called Heathrow Catering Production, after an internal study concluded it would find itself facing stiff competition from larger specialist players. Bob Ayling, chief executive, said: "Significant productivity improvements our people have made are not enough for us to remain competitive against the new, global super-caterers."

The business owns two huge kitchens at Heathrow which prepare 25,000 meals a day each. One of the kitchens employs 1,200 British Airways staff involved in the preparation of long-haul meals, while the kitchen for short-haul flights is run by contractors. British Airways declined to put a figure on the operation's sales, though industry sources suggested they could be £70m a year. The likely price tag was also not disclosed, although observers said it could reach up to £100m.

The airline said talks would begin immediately with outside catering companies and yesterday the UK's largest in-flight catering business, Alpha Airports Group, seemed likely to launch a bid. Alpha is already responsible for most of British Airways' catering at other UK airports, including Gatwick, with sales last year of £211m. The group said it had about 50 per cent of the UK in-flight catering market.

Stuart Siddall, Alpha's finance director, said: "We're certainly

likely to talk to BA. It's got lots of commercial logic. There'll be several caterers interested in this sale and we will be one of the companies taking a close look."

Other potential buyers include LSG Sky Chefs, the world's largest in-flight caterer resulting from a merger of Lufthansa's catering arm, Deminor, and in-flight meals at Heathrow is set to expand through passenger growth and if the government approves a fifth terminal at the airport.

British Airways insisted the sale would not lead to job losses at Heathrow, though specialist caterers did not rule out the possibility. Alpha said the



Bob Ayling: Productivity gains were not enough

potential for cost cutting could be balanced by the potential to supply other airlines and growth in the market. Mr Siddall said: "You'd expect we'd be able to integrate the business in an efficient way. But cost cutting isn't everything. Quality and reliability are also crucial."

Mr Ayling has fiercely denied claims he is intent on turning British Airways into a "virtual airline" where most operations are run by outside contractors. Last month 3,000 ground-based staff at Heathrow agreed to accept a two-year pay freeze in order to prevent the division from being sold or closed.

Upturn in US boosts Pru's policy sales to £1.8bn

Clifford German

The Prudential, which last month clinched the purchase of Scottish Amicable, yesterday reported a boom in new business in the first quarter of the year, with sales of single premium policies leaping 22 per cent to £1.76bn and regular premium policies rising 17 per cent to £130m compared with the first three months of 1996.

Sir Peter Davis, chief executive of Britain's biggest life insurance group, described the sales figures as "very encouraging". He added that the sales

momentum "we built up in 1996 has continued into 1997".

The figures were received reasonably favourably among analysts. Charles Landis, analyst at SocGen, said they were "obviously very good figures". However, along with other analysts, he said the Pru's UK results - its largest business area - were less impressive than other parts of the world.

Most of the improvement came from the US, where Jackson National Life has reaped the benefit of expanding its product range. However, Andrew Pitt, an analyst at Sa-

lomon Brothers, said, "Don't get overwhelmed by the Jackson National Life figures in the US," noting that new products introduced throughout 1996 boosted the first-quarter figures.

After the release of the figures Prudential's shares featured among the FTSE 100 index's best performing stocks, recording a 1.2 per cent advance at one stage, but drifted in later trading and closed the session just 1p higher at 568.5p.

Sales of fixed annuities in the US rose 43 per cent to £234m, equity-linked indexed annuities grew from nothing to £55m

and variable annuities from £19m to £111m. Sales of guaranteed investment contracts grew by 30 per cent to £215m and insurance contracts by 71 per cent to £705m.

In the UK performance was much more patchy. Regular premium business was up 18 per cent at £84m but single premium business grew only 2 per cent to £885m, and its sales of investment products fell to £65m, almost compensating for an 11 per cent fall in sales of insurance policies.

Sales through independent financial advisers (IFAs) in-

creased by 8 per cent to £417m, but the growth came entirely from insurance policies, with investment products falling off to just £37m.

The direct sales force was mainly responsible for the modest growth in the more valuable regular premium business, increasing sales by 18 per cent to £71m.

The use of IFAs to sell products increased in the quarter. They accounted for 47.1 per cent of single premium sales, up from 44.8 per cent, and for 15.3 per cent of annual premium sales.

6 per cent to £344m and sales of investment products including PEPs doubled to £72m. But sales of annuities were down 15 per cent to £180m and business linked to DSS contributions was also down, to £185m.

The direct sales force accounted for over half the UK sales of single premium policies, £468m out of £885m, and its sales of investment products fell to £65m, almost compensating for an 11 per cent fall in sales of insurance policies.

Sales through independent financial advisers (IFAs) in-



Driving seat: Fisher's chairman, Stephen Walls (left), and Neil England Photograph: FT

England puts Fisher action plan into gear

Neil England, the new chief executive at Albert Fisher, yesterday announced details of a three-year business plan to revitalise the food group.

Mr England, former head of the Mars group's Moscow operations, said there would be more investment in processing in the countries of production and in new products, while leveraging off the group's strong position in areas such as fish, citrus fruit and frozen foods.

The aim was "to drive more

than to be driven" he said. Many of the operations are to be brought together under the Fisher name to give the group a common sense of purpose.

The news came as the group announced that first-half pre-tax profits of £19.1m replaced losses of £24m last time.

Fisher had to battle against a disastrous Dutch cockle harvest, which reduced the yield to just 13 per cent of expectations, and potato prices which have halved over the past year.

But Mr England suggested the current UK drought could have a silver lining if it drove up fresh vegetable prices.

When that happened in 1995, the group made "windfall" profits of around £2m from its frozen food operations.

Fisher denied that the decision to maintain the interim dividend at 1.85p, where it is only just covered by earnings per share of 1.97p, would restrain its ability to grow.

Investment column, page 25

Tie Rack expands in Japan

Tie Rack is expanding its Asia Pacific operations by forming a 50-50 joint venture in Japan with Fujita, which owns 50 per cent of McDonalds Japan and through this 20 per cent of Toys R Us Japan.

Roy Bishko, chairman, who yesterday announced an increase in Tie Rack's annual taxable profits from £7.93m to £8.79m, said: "Japan is potentially a major market for Tie Rack and one in which we wanted a direct involvement through a joint venture."

While the link with Fujita was announced yesterday, operations with the Japanese company started in July 1995 and there were 11 shops by the time the joint venture was established two months ago.

"Initial trading has been encouraging but this is a very expensive market in which to operate and we do not expect significant returns in the short term," said Mr Bishko.

On group trading, Mr Bishko said the first two months of 1997 had been generally satisfactory "although the pressure on overseas earnings experienced in the final quarter of the last financial year caused by the substantial appreciation of sterling has continued".

He expected shop numbers to grow by around 10 per cent this year with the growth arising predominantly overseas.

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BSG close to deal on cabin interior maker

BSG International is close to buying Buderus Sell, the German aircraft seat and lavatory modules manufacturer, and expects to make an announcement "within the next few weeks", said Richard Marton, chief executive.

Buderus, based in Herborn, produces cabin interiors for commercial aircraft and lavatory units for Airbus Industrie through a joint venture with Daimler-Benz Aerospace. Turnover in the last financial year was DM106m (£37m).

Mr Marton added yesterday: "The deal would make the group one of the largest producers of cabin interior products and strengthen its position in our chosen area of automotive and aircraft equipment."

BSG intends to finance the deal from the proceeds of the recent £72m sale of its Bristol Street Motors car dealership arm, a move which was designed to enable the company to focus on its Britax business.

The acquisition would be a big step in this direction, with Britax - best known for its child seat and car safety products - at the heart of its international brand development programme.

Company Results				
	Turnover £	Pre-tax £	EPS	Dividend
Action Computer (I)	80.0m (83.4m)	2.25m (1.45m)	4.3p (3.8p)	1p (nil)
BATH (F)	89.7m (87.8m)	53.0m (82.7m)	10.95p (10.73p)	5.02p cents
Heavy Duty (F)	162m (170m)	0.36m (8.85m)	25.1p (23.8p)	8p (7.5p)
Bracewell Holdings (F)	162m (179m)	-0.18m (-0.23m)	-1.05p (-2.28p)	nil (-)
British Building & Eng (F)	18.2m (16.8m)	0.03m (1.3m)	0.5p (-0.3p)	nil (-)
Eyestone Products (F)	66.1m (60.5m)	0.53m (3.2m)	0.5p (3.5p)	0.57p (1.65p)
Albert Fisher (I)	586m (590m)	19.1m (18.8m)	1.97p (1.87p)	1.85p (1.85p)
Galton Group (F)	37.0m (33.0m)	3.95m (3.5m)	13.5p (11.6p)	4.88p (4.24p)
Haystack Storage (F)	67.7m (56.7m)	5.0m (5.28m)	14.8p (13.5p)	4.3p (3.9p)
Hunter & Fraser (F)	781m (749m)	14.8m (14.0m)	5p (4.3p)	5.5p (5.5p)
Int Energy Group (F)	72.2m (63.0m)	5.93m (4.41m)	8.25p (6.33p)	4.45p (4.3p)
William Jackson (F)	198m (87.9m)	1.21m (0.82m)	6.33p (2.9p)	2.25p (1.75p)
Jacobson Group (F)	81.5m (78.5m)	1.31m (1.11m)	3.5p (3.2p)	2.1p (2p)
Lager-Sells (F)	7.9m (7.3m)	0.30m (-0.22m)	0.8p (-1.2p)	nil (-)
Lundin (F)	44.6m (51.5m)	1.38m (0.77m)	14.3p (7.3p)	nil (-)
The Rack (F)	105m (96.6m)	8.75m (7.83m)	10.73p (9.87p)	3.25p (2.75p)

(F) - Fixed (I) - Interim (F) - Profit and loss figures pre-exceptionals

April 18 1997

Clarke gets B+ for inflation and A for style

COMMENT

'It might seem picky to mark him down when, as he so rightly points out, inflation has been lower for longer than any time in the past 50 years. But the scoring is for skill and judgement as well as luck'

The inflation target has been the centrepiece of the Conservatives' economic policy since Britain was unceremoniously kicked out of the ERM in September 1992. The time has come for an end-of-term report on Kenneth Clarke's achievement.

Successful as he seems to have been in reducing inflation, the Chancellor does not get full marks. It might seem picky to mark him down when, as he so rightly points out, inflation has been lower for longer than any time in the past 50 years. But the scoring is for skill and judgement as well as luck, and Mr Clarke has had to rely a lot on the latter.

So, deduct 10 for the technicality that the target measure of inflation has not fallen below 2.5 per cent by the end of the Parliament. This version of the inflation target was, rightly, changed when economists pointed out that it was absurd to focus on inflation at one point in time rather than continuously. But the Government never abandoned the first version altogether.

Deduct 20 for the fact that inflation has not been on target for well over two years. It was December 1994 when the target measure was last 2.5 per cent or below. It might make it for a month or two this year, but thereafter it will be heading up again.

Finally, another 20 points lost for the fact that the UK has not exploited a worldwide fall in inflation as effectively as most other countries. Britain's inflation performance remains in the bottom half of the international league table, and one of the worst in Europe.

Still, luck is no bad thing, and Mr Clarke has done well to make the most of being Chancellor at a time when world inflation has been low. He has balanced the need for prudence against the normal desire of an unpopular government to bribe the voters with economic growth. He has raised interest rates at a time when a really blatant political manipulator would have avoided it.

Further more, he deserves admiration for having retained the affection of his officials while ignoring their advice. All round, a beta plus for the inflation record but an alpha for style. What a shame we won't be receiving him back next semester. A career in the City or Europe would no doubt be his for the taking, should he so wish.

Labour's Post Office denial is not a denial

The Labour Party yesterday issued another of its ritual denials - this time that it intends to privatise the Post Office. This is a standard policy during the election campaign for any piece of information which has not been officially authorised by Peter Mandelson and news-managed through the Walworth Road machine.

It was what is known in the trade as a non-denial denial. This newspaper reported that Labour was examining plans put forward by

the Post Office for its partial or even full privatisation. Labour replied that it had "no plans" to privatise the Post Office, which is not the same thing and leaves open a whole host of possibilities.

What is clear is that in his determination to fill the "black hole" in the public finances Gordon Brown is considering what for Labour would, until recently, have been some unthinkable ways of raising revenue. He calls it a review of national assets. Most other people would call it privatisation or something close.

Labour has already conceded that it is looking at air traffic control - having rejected privatisation out of hand only a few months ago. The Tite has been put back on the list, notwithstanding Robin Cook's attempt to remove it. Labour has also said it will consider Parcelforce, which is the arm of the Post Office which delivers parcels.

It is now clear that the rest of the Post Office, Royal Mail and all, is somewhere on the agenda too. Labour prefers to call it "commercialisation" but where that ends and privatisation starts stretches the art of semantics to its very limits. John Prescott's plans for an injection of private-sector funds into the Tite push the concept of public ownership and control to breaking point. Kim Howells, the Labour front bench who has the Post Office as part of his portfolio, makes some in the Tory party look left wing.

What is undeniable is that the Post Office makes a tempting target. This year the Gov-

ernment will milk £270m out of it through the PSBR. Next year the target is £330m. An outright sale, on the other hand, could raise £4bn.

When Mr Brown has used up the proceeds of his windfall tax he will be looking for other ways to rustle up cash. If part privatisation can be presented as a way of liberating the Post Office from the dead hand of Treasury control and the External Financing Limit, then a sale of say 49 per cent might be to hand to resist. Just remember, it was a Labour government that first started selling shares in BR. Labour's denial should not be taken at face value.

Lloyd's proposals make a lot of sense

Having wiped the slate clean of its pre-1992 liabilities, it was only right that Lloyd's should turn its attention to ensuring that the structures were in place to ensure a similar catastrophe never happened again. Yesterday's proposals to require Names to top up the capital that backs their underwriting commitments goes a long way to achieving that aim. It also has the added attraction that if they choose to leave their exposure to Lloyd's unchanged, accepting a lower capacity to underwrite premiums as a consequence, they will neatly reduce the capacity that has left rates looking so soggy.

Some Names will object to changes in the rules that limit the cavalier way in which they

can gear themselves up to the bill, bringing them in to line with Lloyd's new corporate members. But few would argue that leveling the playing field in this way is a rather more sensible approach than allowing limited liability members the latitude to write premiums in the same dizzy multiples as individuals have enjoyed.

Lloyd's is also right to recognise that it would never match up to its competitors if it failed to tighten up its risk assessment and improve both the quantity and quality of the assets with which it backed its policies. An impending credit rating assessment no doubt concentrated the mind, and if a few members' noses are put out of joint in the process, well so be it. Ostensibly a consultation document, yesterday's proposals are couched in no uncertain terms as a take-it-or-leave-it deal.

Yesterday's proposals will help ensure that the gruesome spectacle of hopelessly naive people losing their homes is at least reduced. A few good years of easy pickings, however, will mean the market will continue to be backed by too many unsophisticated people who do not properly understand what unlimited liability means.

The risks involved in that outdated concept made sense perhaps in an 18th century coffee shop when capital was managed by its owners. These days it is not and the marginalisation of individual Names, few of whom properly understand the dangers, is as desirable as it is inevitable.

Bae returns on jet pass launch aid investment

Michael Harrison

Repayments by British Aerospace of launch aid for the Airbus A320 jet programme now exceed the £250m received from the Government in 1984, the company disclosed yesterday.

By the end of the decade total repayments, including interest, would have reached £500m, BAE added. From then on the government will receive a royalty on every A320 delivered. The A320 has been Airbus's best selling jet with world-wide sales standing at more than 1,150.

The announcement came as BAE prepares to seek launch aid for the next Airbus Industrie project, the A3XX - a 600-seater super jumbo expected to cost at least \$8bn (£5bn) to develop. BAE, which has a 20 per cent stake in the four-nation Airbus consortium, is likely to apply for £200m-£300m in government support.

The A320 was the first full Airbus programme in which

BAe participated from the start and launch aid, both for that aircraft and the later A330-A340 series, was heavily criticised by the US administration and US planemakers.

But BAE said that for every £1 it had borrowed to finance the A320, the Government will have recovered £2, proving the A320 has been an engineering money-spinner for the UK.

Had the Government deposited the same amount in a building society it would have received £2.34 for every £1 while an investment in the stock market would have produced a seven-fold return. Alternatively, £250m invested in BAE shares in 1984 would be worth £880m.

BAe said, however, that the Airbus programme had also been a significant wealth creator for the economy, safeguarding 25,000 direct and indirect jobs and adding nearly £1bn a year to Britain's trade balance.

The A320, a 250-seater single aisle aircraft designed to com-

pete with the Boeing 737, entered service in March, 1988. Two derivatives, the 185-seater A321 and the 126-seater A319 have since been introduced. The launch aid was repayable in tranches depending on certain sales targets being met.

For the larger A330-A340 programme, which cost £4.5bn to launch, BAE received a total of £450m in support, again repayable through a levy on sales. Repayments are due to begin later this year.

The A330-A340 programme was launched in 1987. Orders for the two aircraft stand at 349 from 41 customers, of which 150 have so far been delivered. The launch of the programme was the centre of a huge diplomatic row between the US and the Airbus partner governments - Britain, France, Germany and Spain - over American allegations that the state support was illegal under world trade rules. Launch aid covered about half the cost of the programme.

The US administration went as far as to send two envoys on a trip around the capitals of Europe to argue its case. As a result of a deal on state aids hammered out eventually through Gatt, launch aid for large aircraft programmes is now limited to a maximum of 33 per cent.

Airbus is aiming to raise 40 per cent of the funding for the A3XX from risk-sharing partners outside the consortium, leaving the four Airbus members and their governments to find at least \$4.8bn in support.

Boeing and McDonnell Douglas, the two US planemakers, are sceptical of Airbus's estimates, claiming it could cost up to \$18bn to launch the A3XX. Earlier this year Boeing cancelled plans to launch its super jumbo, saying the market did not justify \$7bn launch costs.

Boeing puts the market for a jet seating more than 550 at fewer than 500 while Airbus puts it near 1,400 over the next 20 years.



Money spinner: For every £1 borrowed by BAE to finance the Airbus A320 the government will have recovered £2

A model way to regulate new drugs that stands up to industry scrutiny

An EU agency in the heart of London has won the approval of the pharmaceutical industry and public alike, writes Magnus Grimond

Amid all the hue and cry over Europe and its creeping federalist tendencies, few outside the pharmaceuticals industry have noticed the growing role of that unloved body in approving new drugs. Now around two years' old, the cumbersome European Agency for the Evaluation of Medicinal Products, or EMEA for short, is starting to prove itself as one of the quiet success stories of the European Union. It is perhaps ironic that it also happens to be based in London, the centre of some of the most vehement Euro-scepticism.

The EMEA emerged from the 1980s debates in the run up to the single European market in 1992. While the consummation of that project did nothing to create a unified EU market for medicines, some replacement for the individual applications to each of the 15 national drug approval authorities was recognised as an important first step. For a pharmaceuticals group which had already spent millions of pounds on development costs, the typical four to six-year timetable adopted by the authorities took a significant chunk out of a 20-year parent life which, after clinical trials, was probably already half way through its term when an application for approval was made. At the same time, drugs were becoming an emotive issue amongst the public at large as AIDS hit the headlines and consumers demanded that new treatments be made available more quickly to treat a disease which was taking on the proportions of medieval plague in some sections of the media.

EMEA was therefore launched at a propitious moment, when both industry and consumers were calling for speedier, more efficient approval processes. It was a challenge relished by Fernand Sauer, the French pharmacist and veteran of the European Commission chosen to be the first executive head of the new body. Proud of what he sees as

the reputation for speed and efficiency which the EMEA has won since starting its work in early 1995, he is already comparing the new European organisation with the powerful Food and Drug Administration (FDA) in the US.

Implicit in Mr Sauer's thoughts is that the Europeans have come up with a better model than the Americans and one which might usefully be adopted elsewhere in the EU.

"We could be in the centre of controversies about federalism and so on, but we are not... We have managed to develop a model of co-operation where

rather than opposing member states we use their resources and they use our services. So it's really a partnership."

It took two years to negotiate, but "in terms of all these resources brought together, we are the equivalent of the Food and Drug Administration," he says, although "rather than a centralised, federal agency we are a 'virtual FDA'."

The bald statistics certainly suggest a model of efficiency. At its magnificently sited, but rather lonely headquarters facing a bend in the Thames at the west end of London's Canary Wharf development, the

EMEA employs just 113 people. On top of that, it can call on 2,000 experts from hospitals, universities and research laboratories around Europe to provide expert input to its deliberations over new drugs. This compares with some 4,000 directly employed by the FDA on pharmaceutical matters, out of a total staff of over 12,000.

But the new body's main claim is its speed. It aims to have completed all its own approval processes within 210 days. Add on a further 90 days for its recommendation to be ratified by Brussels and member states to have their say, and most drugs

should be cleared or rejected in under a year. Its latest audit report shows it is hitting the target most of the time, with the main delays being caused by what it says are company requests that the clock be stopped while they supply more information.

Appropriately perhaps, notable successes have been in the AIDS field. Norvir, the combination treatment developed by the US group Abbott Laboratories, was cleared in a record 69 days last year, while Glaxo Wellcome's Epiriv took just 150 days.

At the moment, all biotech products must be submitted to

the EMEA and in other areas pharmaceutical companies have a choice. But Mr Sauer reckons it is already winning a large majority of the new drugs being launched. In its first 15 months, the agency has approved 44 cases, which Mr Sauer estimates is around two-thirds of the total.

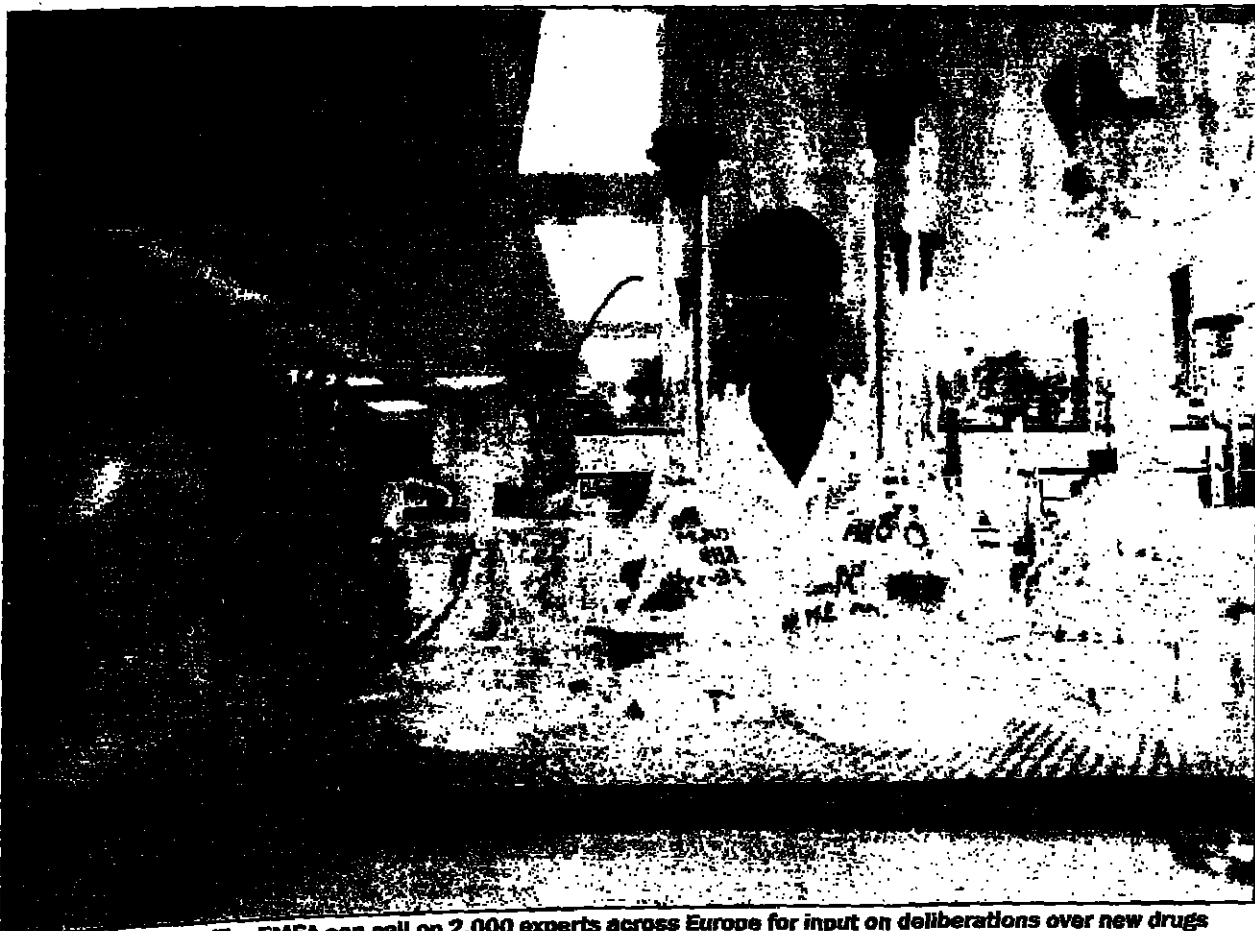
"It seems industry has confidence in the system, industry is using the system and is rather satisfied with it. They can judge the performance against the performance indicators which are published all the time," he says.

So far, that assessment is broadly supported by the feedback from the industry, although some British companies are keener than others. SmithKline Beecham, which has had four products approved centrally, says it has a very good relationship with the European body. Zeneca, yet to submit anything, is more wary, saying the old national route still has its place.

Consumers' groups also seem happy with the new agency and its attempts to open up its affairs to public scrutiny seem popular: the agency's Internet "home page" was looked at 1.3 million times last year.

The tempo will increase next year, when the option of having drugs approved by individual member states is removed. Thereafter, non-biotech companies will have to choose whether to go the EMEA route or use the so-called decentralised system, whereby a lead authority, typically the UK, Germany or France, does the work and other countries largely accept their findings.

In 10 years, Mr Sauer expects EMEA to have 40 to 50 per cent of the whole market, including regular safety checks on drugs, an important area where it is not involved as yet. Beyond that, the agency could prove a role model for regulators in emerging drug markets. Mr Sauer can perhaps take some quiet satisfaction from the fact that a Frenchman is using a British-based European bureaucracy to show the rest of the world a thing or two about efficient regulation.



Testing conditions: The EMEA can call on 2,000 experts across Europe for input on deliberations over new drugs

IN BRIEF

Arjo Wiggins chief's pay jumps 40%

Philippe Beylier, who replaced Alain Soulas as chief executive of Anglo-French paper group Arjo Wiggins Appleton, saw his pay leap 40 per cent to £560,000 last year. This was somewhat below the £617,000 paid the previous year to Mr Soulas, who left the group with an £826,140 payoff in March 1996. The latest annual accounts also reveal that Mr Beylier's contract has a termination indemnity of 18 months on top of his normal six months' notice period should the company be taken over. The accounts also showed that Dale Schumaker, the head of US operations who left in March, saw his remuneration increase 35 per cent to £671,000, including a £213,000 top up to his pension to fund his early retirement.

Germany to keep interest rates steady

Hans Tietmeyer, Bundesbank president, cemented expectations of continued low interest rates in Germany. "We want to continue our steady-hand monetary policy. Our goal is currency stability," he said. German bonds rose as the outlook for steady interest rates continued and amid signs that economic growth in the country may be weaker than thought. Mr Tietmeyer said he saw no need to alter interest rates in Germany as the conditions for growth in Germany were in place, and further rate cuts would be counterproductive. He did not believe that higher import prices were "a risk for the internal price development, because the cost development in our economy seems to be under control". Inflation in Germany has been below the Bundesbank's target of 2 per cent for nearly two years, and it is not expected to exceed that level this year.

Decimal move upsets fraction faction

A Senate committee opened a debate on a reform of US stock markets, replacing fractions with decimals in stock quotes. The reform aims to reduce commissions on share trades, which under the fraction system can now move only in 12.5 cent increments. Using decimals for stock quotes, which would require a reform of a 1934 law regulating stock trades, would allow investors to save some \$1.5bn (£925m), said Senator Wayne Allard.

Shareholders approve new C&W group

Cable & Wireless said shareholders at yesterday's extraordinary general meeting unanimously passed a resolution to create the Cable & Wireless Communications Group. Richard Brown, chief executive of C&W, said: "This is a major milestone in the creation of our new company which, as the largest provider of integrated telecommunication and television entertainment services in the UK, will be a powerful force in the UK telecommunication market." The creation of the new group will bring together Mercury Communications, the UK subsidiary of C&W, with Nynex CableComms and Bell Cablemedia.

Shuffle at William Morrison

William Morrison Supermarkets said Kenneth Morrison had relinquished his role as managing director but would retain the role of executive chairman. John Dowd, who has been with the company for 25 years and a director since 1983, will become managing director. George Buttle and Marie Melnyk have been appointed joint deputy managing directors.

LucasVarity buys back 10 million shares

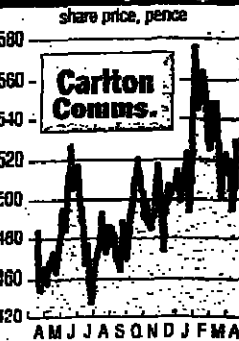
LucasVarity bought back for cancellation some 10 million of its shares through Hoare Govett Securities at 198p each. The buy-back represents some 0.7 per cent of the company's share capital. Earlier this week the company announced plans to buy back 3 per cent of its shares this year.

market report / shares

Data Bank

FTSE 100	4298.9	+4.3
FTSE 250	4524.9	+0.3
FTSE 350	2117.7	+1.7
SEAQ VOLUME	687.4m shares,	
	41,122 bargains	
Gilt Index	94.30	unchg

Share spotlight



Why Tesco could be regarded as a bit of a basket case

It is always brave to hit at a share riding high in the popularity stakes. After outscoring J Sainsbury and leading the supermarket charge into financial services Tesco has been one of the darlings of the stock market. Its upbeat profit performance and £640m move into Ireland have merely added to its appeal.

But Rowan Morgan, experienced retail analyst at Nikko, the Japanese securities house, reckons the adulation is too intense. And he believes that the shares should be sold.

He says they look fairly valued and "offer little upside potential, having outperformed the market by 11 per cent over the last 12 months". So those seeking excitement should look elsewhere.

Shares of the superstores group milled around, ending 1.5p higher at 354p. More favourable comments from AOB Research on Tesco's per-

formance in the supermarket sector probably offered support. In the past year the shares have been as low as 267p and as high as 370p.

Mr Morgan sees Tesco profits moving from £750m to £825m this year and reaching £955m next.

Asda fell 1p to 110.5p and Sainsbury 4.5p to 321p. They have figures next month. Dresdner Kleinwort Benson was said to be suggesting Asda will produce £435m against £401.2m and Sainsbury will be down from £764m to £630m.

The rest of the market continued to ignore New York's sudden reawakening. With Footsie, after a confident start, struggling to stay in positive territory. It ended 4.3 points higher at 4,298.9.

There has in recent years been growing evidence that the market is, to some extent, decoupling from New York. As



MARKET REPORT

DEREK PAIN

stock market reporter of the year

the world's biggest market New York will, of course, continue to exert a deep influence on proceedings in London.

But its power seems to be much greater when it is in retreat. The adage if New York catches a cold then London sneezes still applies. But the market is much less interested when Wall Street is riding high. London has lagged a long way behind as New York has surged from 3,000 points in a little over two years.

Carlton Communications led blue chips higher. The share gained 22p to 528.5p following buy signals from Morgan Stanley. The US investment house is encour-

aged by Carlton's involvement in the British Digital Broadcasting consortium and looks for profits of £340.7m this year, £364.4m next year, £407.3m the year after.

Bass fell 7.5p to 785p, lowest this year. Société Générale Strauss Turnbull was negative and the brewers' long struggle to swallow its Carlsberg Tilly rival is beginning to sap sentiment. Allied Domecq gave up 8p to 428p, responding to recent SBC Warburg caution.

Standard Chartered was the day's banking favourite, up 18p to 865p on Schroders support. BT was unchanged at 442.5p despite bullish noises from JP

Morgan and Inchcape rose 7.5p to 263p with Frimure Gordon signalling a 300p target. National Grid gained 4.5p to 222.5p on Goldman Sachs support. But Smith & Nephew fell 3.75p to 176.25p on a rumoured Merrill Lynch downgrading.

Premier Farnell, the electronic components group that produced a stock profits warning in January is due to produce yearly figures on Monday. The warning sent the shares tumbling more than 150p in a few days, eventually hitting 457.5p. They rose 4p to 500p. Year's profits are likely to be around £125m against £110.9m. Still the group, which astonished the market with an audacious £60m US takeover last year, must feel it has a promising tale to tell. It has arranged a series of investment meetings next week and is arranging to fly fund managers to its US operations.

LucasVarity commenced its share buy-back, picking up 10 million at 198p through A&N Amro Hoare Govett; the shares fell 3p to 193.5p. Engineer Spina-Sarco improved 26p to 733p with talk of a bid from Siebe, off 2.5p at 943.5p. Sports retailers were firm. JTB Sports rose 23p to 452p after chairman David Whelan promised any share sale would be on a modest scale; he has just over 30 per cent. Blacks Leisure added 14.5p to 475p, a peak. Figures are due next month.

Vanguard Medical fell 5p to 625p. Greig Middleton suggest a year-end price of 1,507p.

Pittner, the oil group, gained 12p to 54.5p on the signed US bid and Hill Hire added 13p to 137p after raising £1.7m through a placing at 133p.

Taking Stock

David Abell, the former Suter chief who is involved in a shareholders revolt at conglomerate Thomas Jordan, is taking a deeper interest in Turkiye.

The day after the engineer announced a sharp profits advance to £237,000 Mr Suter lifted his shareholding by 325,000 shares to 4.5 per cent. He has been close to the company, up 1p to 19p, for some time.

Minmet's Oxford traded offshoot, Crediton Minerals, has seen "encouraging" evidence in its search for gold in Devon. Results of further tests should be known in August. Minmet firmed 0.25p to 4p and Crediton 1p to 10p.

Financial bookie IG Index's middle quote for the closing price for shares of Alliance & Leicester on Monday is 498p.

Alcoholic Beverages

Stock	Price	Chg	Vol	Price	Chg	Vol
Adnoca	10.00	0.00	100	10.00	0.00	100
Adnoca	10.00	0.00	100	10.00	0.00	100
Adnoca	10.00	0.00	100	10.00	0.00	100

Banks, Merchant

Stock	Price	Chg	Vol	Price	Chg	Vol
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100

Banks, Retail

Stock	Price	Chg	Vol	Price	Chg	Vol
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100

Breweries, Pubs & Rest

Stock	Price	Chg	Vol	Price	Chg	Vol
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100

Diversified Industrials

Stock	Price	Chg	Vol	Price	Chg	Vol
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100

Electricity

Stock	Price	Chg	Vol	Price	Chg	Vol
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100

Building/Construction

Stock	Price	Chg	Vol	Price	Chg	Vol
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100

Electronics

Stock	Price	Chg	Vol	Price	Chg	Vol
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100

Food Manufacturers

Stock	Price	Chg	Vol	Price	Chg	Vol
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100

Food Distribution

Stock	Price	Chg	Vol	Price	Chg	Vol
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100

Health Care

Stock	Price	Chg	Vol	Price	Chg	Vol
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100

Household Goods

Stock	Price	Chg	Vol	Price	Chg	Vol
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100

Insurance

Stock	Price	Chg	Vol	Price	Chg	Vol
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100

Leisure & Hotels

Stock	Price	Chg	Vol	Price	Chg	Vol
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100

Life Assurance

Stock	Price	Chg	Vol	Price	Chg	Vol
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100

Media

Stock	Price	Chg	Vol	Price	Chg	Vol
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100

Pharmaceuticals

Stock	Price	Chg	Vol	Price	Chg	Vol
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100

Printing & Paper

Stock	Price	Chg	Vol	Price	Chg	Vol
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100

Property

Stock	Price	Chg	Vol	Price	Chg	Vol
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100
Barclays	10.00	0.00	100	10.00	0.00	100

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Index-linked

Mediums

Longs

Shorts

Undated

business

Fisher casts net far - and wide

THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

Stephen Walls, chairman of Albert Fisher, says he is ready to contemplate giving up his executive duties at the fruit to frozen veg group later this year. If he does, he could do worse than go into politics, judging by yesterday's performance.

Fisher unveiled a swing back to profits of £19.1m in the six months to February, up from a deficit of £24m last time, depressed by £42.8m of exceptional losses at the tail-end of Mr Walls' four-year disposal programme. But stripping that out, the marginal £300,000 rise in underlying profits to £19.1m owed everything to a turnaround in US distribution operations, now sold, and a £1m cut in the interest charge. Profits from continuing operations slumped from £24.1m to £20.8m.

Mr Walls characterised the figures as a good half-year. Dumping 60 per cent of the business over the past four years had ended the days when Fisher could be knocked off course by one, weather-related event. The quality of earnings was now much improved, he claimed.

Yet the performance of the main business bears all the hallmarks of the Fisher of old. Seafood profits, down from £8.4m to £7.1m, sustained a hit of more than £2m as a result of the disastrous Dutch cod harvest, when the sea froze over. The sauces to frozen vegetable processing division slumped to £5.5m from £9.3m in the previous period, when the results were inflated by £2m or so of "windfall" frozen food profits as a result of a shortage of fresh vegetables in 1995. Fisher also suffered a £1.4m hit from exchange rates.

Neil England, the man from Mars who took over as Fisher's chief executive in November, has a wall of negative sentiment to climb in the City, but he was making the right noises. Cutting out underperforming lines, investing in cheaper, more efficient production and focusing on Fisher's strengths sound deeply sensible.

The group could clearly make more use of its European market-leading positions in areas such as citrus fruits, shellfish, frozen vegetables and sauces and dressings. Only the food processing division is (just) making Fisher's fairly undemanding margin targets, which range from 3 to 6 per cent.

Mr England remains constrained by the group's high gearing and high payout policy, but profits of £43.5m would put the shares, down 0.25p at 42.5p, on a forward multiple of under 10. With a yield of 11 per cent, they are still worth holding.

Putting the House in order

House of Fraser has been such a disaster since its 1994 flotation that shareholders who subscribed for shares in the department store group at 180p must be so battle-scarred that they are almost past caring.

Dogged by poor merchandise, under-invested stores and high staff turnover, the accident-prone retailer has only avoided being the whipping boy of the sector because Sears has been even worse.

The claim from the company is that the worst is now over and that the group can start to rebuild its fortunes. There have certainly been lots of changes.

In the boardroom alone, there is a new chief executive and finance director while the opera-

tions and merchandising directors are also new. The strategy is being fine-tuned to try to boost the "own bought" merchandise which has been suffering from weak sales while the concessions business has been doing well.

Though the company was denying it yesterday it is really pinning its hopes on the launch of its new private label range in the summer. The new men's and women's clothing ranges are being designed to plug the gap between the high street names such as Next and Gap and designer names at reasonable prices.

It is certainly an area that needs improving. While concessions sales grew by 15.8 per cent last year, own bought sales were only 2.5 per cent ahead.

This disguised terrible performance in womenswear, which fell by 14 per cent in the first half and only managed in 2 per cent uplift in the second.

In the store portfolio three are up for sale with one the subject of detailed talks. Others are being refurbished as they come under pressure from new branches of John Lewis and Harvey Nichols.

The company even admitted yes-

terday that the £20m spent on upgrading the Dickens & Jones store in Regent Street would never be fully paid back in improved performance.

With analysts forecasting profits of £25m this year the shares, up 0.5p to 165p yesterday, trade on a forward rating of 21. That reflects its potential as a recovery stock but investors should not hold their breath on this one.

Havelock's balancing act

Havelock Europe, the Scottish shopping group, is struggling to get over last October's profit warning when its shares lost almost a quarter of their value overnight. After bouncing initially, they have been on the slide since the new year and yesterday three directors took the opportunity to move into the market at 285p in a public show of confidence. The price remained unimpressed, closing 1.5p off at 285p.

That was to be expected after full-year profits emerged bang in line with forecasts in February at the time of the acquisition of Hardsells. That business is involved in retail displays, rather than its core shelves and other display units, which Havelock hopes will help it meet the cyclical shopping market.

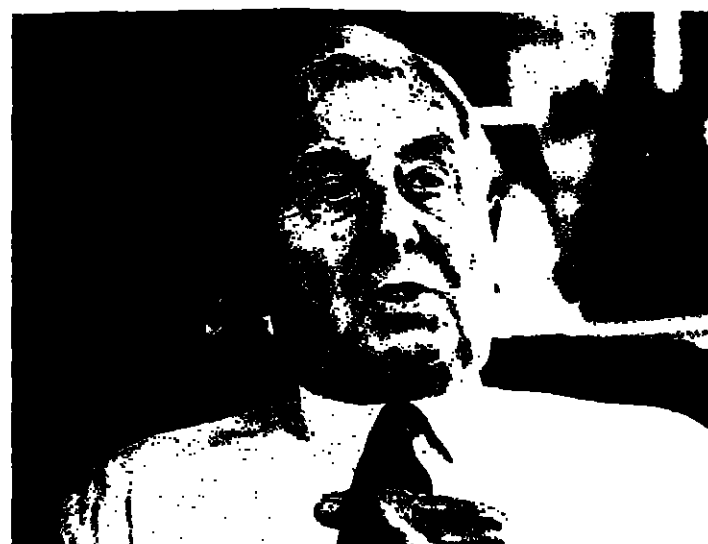
Profits of £5.9m were 12 per cent higher than the £5.3m achieved in 1995, representing a fourth year of record returns. Earnings per share were 8 pence better at 14.6p and the well-covered dividend of 4.3p was a 19 per cent improvement.

Havelock is building a much better balanced business, which is just as well given its exposure to non-food retail clients, whose refurbishments come in unsustainable waves, and banks, where changing technology and consolidation mean fewer and smaller branches are being kitted out.

On the basis of forecast profits of £8.2m this year and up to £9.5m next time, the shares trade on a prospective p/e of 15 falling to 12. That is not expensive for a fundamentally sound, growing business and last year's plunge provides a good opportunity to follow the directors' lead. Good value.

'Deadly Doug' ready to bag £4m sackful when Villa floats

PEOPLE & BUSINESS



Famous for his boot: Doug Ellis, 73, has no successor lined up

Doug Ellis, chairman of Aston Villa and nicknamed "Deadly Doug" by Jimmy Greaves because he has sacked more managers than any other Premier chairman since taking over in 1982, will do well out of the club's flotation.

According to yesterday's prospectus, Villa will be valued at £126m, of which Mr Ellis and his family hold a 40 per cent stake. Mr Ellis plans to sell shares worth £4m through the share placing.

Mr Ellis has secured a fearsome reputation by sacking six managers in 25 years. Villa's manager, Brian Little, has just signed a new five-year contract, so he looks a little more secure than most of his predecessors.

Mr Ellis is 73 years, has no plans to retire and has no successor lined up. However, his son Peter, a 48-year-old accountant, is a non-executive director on the Villa board, and may step in in due course.

Ellis senior signed professional with Tranmere Rovers in 1938, but his football career was interrupted by the Second World War, during which he was injured. He then put his experience in the Royal Navy to good use by becoming a pioneer of Britain's package tour industry in the 1940s, where he made his fortune.

Since then he has dipped into many businesses, including hotels and electronics, and has been the chairman of 19 different private companies. But his first love remains Villa, and he has written into his will that family members who inherit the shares will not be able to sell them.

Doug joined the club in 1968 when Villa was virtually broke, and stuck in the Third Division. He asked supporters to put in their own money via a share issue. The plan succeeded, and 8,336 fans bought shares at a five pence each - now worth the equivalent of £1,300, having been as high as £1,600. Villa are still trying to trace 64 shareholders who may be unaware that they have won the jackpot.

Cross your legs, chaps. Little, the London Finance and Options Exchange, held its annual charity dinner at the Dorchester last

night, during which guests were invited to bet on various tapes of races, football matches and the like. The organisers also held an auction for various prizes, one of which I bear was a vase. Careful with that scalpel...

Gary Hamel, the fast-talking American management guru vying with Tom Peters for top slot, whizzed into town this week for a couple of table-thumping seminars. Mr Hamel is hot on strategy, having written a book on the subject with a collaborator, titled *Competing for the Future*.

He is also a visiting professor at the London Business School, and his trademark seminar style is to prowl the podium, delivering his invective without notes.

He has become a vociferous critic of down-sizing, so human resource types tend to like what he says. He was addressing just such a group this week and described down-sizing as "so easy - even accountants can do it".

Seizing the chance, he then delivered two anti-accountant jokes: "Anyone know the difference between an introverted accountant and an extroverted accountant? The extroverted one stares at your

shoelaces." To great guffaws of laughter from the human resource audience, he piled on: "What does an accountant use for contraception? His personality." Mr Hamel will not be addressing the Institute of Chartered Accountants.

Stand by for a rumour at the Halifax Building Society AGM next Monday. Serge Lourie and Peter Judge, co-founders of the Halifax Action Group, are opposed to the conversion of Halifax into the bank, and have put themselves up as candidates for election to the board to pursue their views.

And the dynamic duo are no pushovers. As Mr Lourie says this week: "Both Peter Judge and I are properly qualified accountants, both have senior positions on local councils and I serve on a number of quangos including a large pension fund."

Understandably, this has gone down like a lead balloon with Jon Foulds, Halifax chairman, and the board. To add insult to injury, Messrs Lourie and Judge have had the temerity to suggest the Halifax directors are overpaid.

John Willcock

Foreign Exchange Rates

Country	Spot	1 month	3 months	6 months	1 year
US	1.6290	7.5	22.10	1000	0.5790
Canada	2.2240	11.40	33.70	1000	0.6080
Germany	2.2240	11.40	33.70	1000	0.6080
France	2.2240	11.40	33.70	1000	0.6080
Italy	2.2240	11.40	33.70	1000	0.6080
Spain	2.2240	11.40	33.70	1000	0.6080
Japan	2.2240	11.40	33.70	1000	0.6080
Sweden	2.2240	11.40	33.70	1000	0.6080
Norway	2.2240	11.40	33.70	1000	0.6080
Denmark	2.2240	11.40	33.70	1000	0.6080
Netherlands	2.2240	11.40	33.70	1000	0.6080
Belgium	2.2240	11.40	33.70	1000	0.6080
Switzerland	2.2240	11.40	33.70	1000	0.6080
Australia	2.2240	11.40	33.70	1000	0.6080
New Zealand	2.2240	11.40	33.70	1000	0.6080
Hong Kong	2.2240	11.40	33.70	1000	0.6080
Singapore	2.2240	11.40	33.70	1000	0.6080

Other Spot Rates

Country	Spot	1 month	3 months	6 months	1 year
Argentina	1.6290	7.5	22.10	1000	0.5790
Brazil	2.2240	11.40	33.70	1000	0.6080
China	2.2240	11.40	33.70	1000	0.6080
India	2.2240	11.40	33.70	1000	0.6080
Indonesia	2.2240	11.40	33.70	1000	0.6080
Malaysia	2.2240	11.40	33.70	1000	0.6080
Philippines	2.2240	11.40	33.70	1000	0.6080
South Africa	2.2240	11.40	33.70	1000	0.6080
Taiwan	2.2240	11.40	33.70	1000	0.6080
Thailand	2.2240	11.40	33.70	1000	0.6080
UK	2.2240	11.40	33.70	1000	0.6080

Interest Rates

Country	Rate	Country	Rate	Country	Rate
UK	6.00%	Germany	5.50%	US	5.75%
France	5.50%	Canada	5.50%	Japan	5.50%
Italy	5.50%	Spain	5.50%	Sweden	5.50%
Netherlands	5.50%	Belgium	5.50%	Switzerland	5.50%
Australia	5.50%	New Zealand	5.50%	Hong Kong	5.50%
Singapore	5.50%	Malaysia	5.50%	Philippines	5.50%
South Africa	5.50%	Taiwan	5.50%	Thailand	5.50%
UK	5.50%	Germany	5.50%	US	5.75%

Bond Yields

Country	Rate	Country	Rate	Country	Rate
UK	7.12%	Germany	5.50%	US	5.75%
France	5.50%	Canada	5.50%	Japan	5.50%
Italy	5.50%	Spain	5.50%	Sweden	5.50%
Netherlands	5.50%	Belgium	5.50%	Switzerland	5.50%
Australia	5.50%	New Zealand	5.50%	Hong Kong	5.50%
Singapore	5.50%	Malaysia	5.50%	Philippines	5.50%
South Africa	5.50%	Taiwan	5.50%	Thailand	5.50%
UK	5.50%	Germany	5.50%	US	5.75%

Money Market Rates

Country	Rate	Country	Rate	Country	Rate
UK	5.50%	Germany	5.50%	US	5.75%
France	5.50%	Canada	5.50%	Japan	5.50%
Italy	5.50%	Spain	5.50%	Sweden	5.50%
Netherlands	5.50%	Belgium	5.50%	Switzerland	5.50%
Australia	5.50%	New Zealand	5.50%	Hong Kong	5.50%
Singapore	5.50%	Malaysia	5.50%	Philippines	5.50%
South Africa	5.50%	Taiwan	5.50%	Thailand	5.50%
UK	5.50%	Germany	5.50%	US	5.75%

Life Financial Futures

Contract	Settlement	High/Low	Open	Close
Long GB	110.45	110.10	109.20	109.20
Short GB	110.45	110.10	109.20	109.20
Long US	110.45	110.10	109.20	109.20
Short US	110.45	110.10	109.20	109.20
Long Japan	110.45	110.10	109.20	109.20
Short Japan	110.45	110.10	109.20	109.20

Life FTSE 100 Index Option

Series	Settlement	High/Low	Open	Close
Long	110.45	110.10	109.20	109.20
Short	110.45	110.10	109.20	109.20
Long	110.45	110.10	109.20	109.20
Short	110.45	110.10	109.20	109.20
Long	110.45	110.10	109.20	109.20
Short	110.45	110.10	109.20	109.20

Industrial Metals

Commodity	Price	Commodity	Price	Commodity	Price
Aluminum	1515.15	Steel	1515.15	Copper	1515.15
Zinc	1515.15	Nickel	1515.15	Lead	1515.15
Gold	1515.15	Silver	1515.15	Palladium	1515.15
Platinum	1515.15	Rhodium	1515.15	Iridium	1515.15
Ruthenium	1515.15	Rosinium	1515.15	Seaborgium	1515.15

Precious Metals

Commodity	Price	Commodity	Price	Commodity	Price
Gold	1515.15	Silver	1515.15	Palladium	1515.15
Platinum	1515.15	Rhodium	1515.15	Iridium	1515.15
Ruthenium	1515.15	Rosinium	1515.15	Seaborgium	1515.15
Rhenium	1515.15	Ununseptium	1515.15	Ununoctium	1515.15

Other Softs

Commodity	Price	Commodity	Price	Commodity	Price
Wheat	1515.15	Corn	1515.15	Soybeans	1515.15
Beans	1515.15	Peas	1515.15	Lentils	1515.15
Barley	1515.15	Oats	1515.15	Rye	1515.15
Millet	1515.15	Buckwheat	1515.15	Sorghum	1515.15

Commodity	Price	Commodity	Price	Commodity	Price
Wheat	1515.15	Corn	1515.15	Soybeans	1515.15
Beans	1515.15	Peas	1515.15	Lentils	1515.15
Barley	1515.15	Oats	1515.15	Rye	1515.15
Millet	1515.15	Buckwheat	1515.15	Sorghum	1515.15

Commodity	Price	Commodity	Price	Commodity	Price
Wheat	1515.15	Corn	1515.15	Soybeans	1515.15
Beans	1515.15	Peas	1515.15	Lentils	1515.15
Barley	1515.15	Oats	1515.15	Rye	1515.15
Millet	1515.15	Buckwheat	1515.15	Sorghum	1515.15

Commodity	Price	Commodity	Price	Commodity	Price
Wheat	1515.15	Corn	1515.15	Soybeans	1515.15
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Millet	1515.15	Buckwheat	1515.15	Sorghum	1515.15

Commodity	Price	Commodity	Price	Commodity	Price
Wheat	1515.15	Corn	1515.15	Soybeans	1515.15
Beans	1515.15	Peas	1515.15	Lentils	1515.15
Barley	1515.15	Oats	1515.15	Rye	1515.15
Millet	1515.15	Buckwheat	1515.15	Sorghum	1515.15

The odds on Tiger Woods to win golf's Grand Slam. Ladbrokes say their liabilities are so huge they have had to cut the odds again, after offering him at 5,000-1 only four

Derek Pringle looks at the direction of the new season as England A and The Rest prepare for today's curtain-raiser

the hopefuls playing in today's game at Edgworth, where the successful England A side, under Adam Hoolioake, take on the Rest, led by Mark Ramprakash.

Mind you, with Atherton possibly about to have a selectionator vote revoked, it will be interesting to see if both Mike Gatting and Graham Gough have been given leave by their counties to eye the talent on view. Getting the selections right this summer will be crucial if the Ashes is to be a contest and not a catastrophe.

THE RUGBY LEAGUE Today, first day of fourth England A in a Butech (Swansea) 15-11 at the Liberty, 1-2 R Hoggins (Llanelli), M P Venn (Cardiff), J D Jones (Cardiff), A Hoolioake (Swansea), C M Eastham (Hertfordshire), A Medhurst (Cardiff), W H K Hogg (Gwent), W J Harris (Gwent), A J Harris (Gwent), D W Headley (Hertfordshire).

THE RUGBY UNION Today, 1-2 Llanelli 15-11 at the Liberty, 1-2 R Hoggins (Llanelli), M P Venn (Cardiff), J D Jones (Cardiff), A Hoolioake (Swansea), C M Eastham (Hertfordshire), A Medhurst (Cardiff), W H K Hogg (Gwent), W J Harris (Gwent), A J Harris (Gwent), D W Headley (Hertfordshire).

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Adam Szreter meets the master of the unconventional as he settles to the task of guiding Somerset's cricket fortunes

1st Texaco Trophy one-day international (Headingley)
24 ENGLAND v AUSTRALIA
2nd Texaco Trophy one-day international (The Oval)
25 ENGLAND v AUSTRALIA
3rd Texaco Trophy one-day

international (Lord's)
27 Benson and Hedges Cup
 quarter-finals
JUNE
5-9 ENGLAND v AUSTRALIA
 1st Cornhill Test (Edgbaston)
10 Benson and Hedges Cup
 semi-finals
19 ENGLAND v AUSTRALIA
 2nd Cornhill Test (Lord's)
24 NatWest Trophy first round

JULY
3-7 ENGLAND v AUSTRALIA:
 3rd Cornhill Test (Old Trafford)
8 NatWest Trophy - second round
12 Benson and Hedges Cup final (Lord's)
24-28 ENGLAND v AUSTRALIA
 4th Cornhill Test (Headingley)
29 NatWest Trophy quarter-finals
AUGUST

7-11 ENGLAND v AUSTRALIA
5th Cornhill Test (Trent Bridge)
12-13 NatWest Trophy semi-
finals
21-25 ENGLAND v AUSTRALIA
6th Cornhill Test (The Oval)

SEPTEMBER

6 NatWest Trophy final (Lord's)
14-16 Axa Life Sunday League
finishes
18 County Championship final
matches

Bishop checks India

ward chance to his right at third slip off Courtney Walsh. Sidhu was eight when, driving at Franklyn Rose, he sliced an unexpected catch over his head to

[illegible]

In the event of any discrepancy, in the above, the data contained in Computer central computer system shall prevail.

Falls 1-32, 2-52, 3-69, 4-103, 5-111, 6-173,
Bowling: Hamilton 18-4 37-3; Wharf 15-21;
Moggart 20-4 110-0; Kentborough 15-3 61-1;
D. Eaton 50-56-1; Stamp 13-65-3
M D Barry 5-10-1
M D Barry & Farberbush b Plimoff 10
M I Wood not out 21
D Byars not out 49
Total for 22 overs 102
Bowling: Martin 8-3-13; Green 8-4-12-0;
Plimoff 3-3-1; Austin 3-2-0
Umpires: J. Martin and R A White.
(First day of season)

Cambridge Univ v Derbyshire
FOURTH: Derbyshire beat Cambridge Uni-
versity by an innings and 32 runs
Cambridge University won toss

CAMBRIDGE UNIVERSITY - First Innings 395
1. S. D. Bailey 100
DETROITERS - First Innings 203 Run 100

S Rating TR, D M Jones 58, VP Clarke 57: 1 W
S Field 49

CAMBRIDGE UNV - Second Installs
(Overruns: 104 for 6)

R O Jones not at home 57
D H Chantour C James 15
R J Chantour C James & Dean 15
J A Jones & Malcom 18
W J French & Malcom 10
E J How & Rotins to Glasse 0
Extras (Total) 166
Total (all 6 covers) 166
List 1: 39, 2-44, 3-59, 4-74, 5-74, 6-74, 7-104,
8-145, 9-151.
Bowling: Malcolm 163-3-54-3; De Freitas 8-4-21;
C Jones 10-4-21; Jones 11-3-35; Vondra 1-
2-0-0; Hayman 5-1-16-0.

Improves: R Julien and M R Benson.

Oxford Univ v Durham
The PURVIS: Durham won toss
PURVIS - First innings 353 for 2 dec U B
Lewin 230 no, P D Collingwood 107I.

DURHAM - Second hennings 144 for 3 due
OXFORD UNIVERSITY - Second hennings
 (Overnight 2 for 3)
 G Hayslett due B Brown 1
 G R Hayslett due C Spaglin 3
 B W Byrnes due C Spaglin 3
 J A G Fulton B Brown 1
 C F Laughton B Coughlin B Boding 1
 C Foster C Brown 1
 A P Scrial run over 20
 J M M Avers C Cullen B Boding 1
 P D Mather run B Boding 1
 J A Hayslett run over 3
 E Hayslett due B Boding 1
 E Hayslett due B Boding 1
 Total 197.1 overs
 Pals: 1-1, 2-3, 3-2, 4-105, 5-114, 6-114, 7-181,
 8-241, 9-247.
WILSON - Second hennings 22-935-4; Betts 21-7-43-0
 Kulevsk 21-7-43-0; Spaglin 22-935-4; Coughlin 22-935-4
 Boding 20.1-8-20-1; Cox 11-5-11-1; Spaglin 1
 4-0-1-0-4

• • •

James Hood; Ryan Robinson.
Michael Deven (NSW and Australia);
Robinson (Sussed); Christopher
Held (rel).
SEAS PLAYER: Darren Lehmann
(Australia).

SEAS PLAYER: Darren Lehmann (Australia).

Prospects and profiles by David Llewellyn

Top clubs swallow all £12m new deal

English rugby raised a farewell glass to the dear old Courage League yesterday and, with just the merest hint of a beery belch, clambered aboard a new £12m gravy train called the Allied Dunbar Premiership. For brewers read financial services, for foaming pints read personal protection plans, for the common good read naked elitism.

Very modern, very ruthless. The insurance company's undeniably substantial investment will be swallowed whole by the 24 clubs in the top two divisions.

Wales will play next season's internationals at Wembley Stadium while work continues on the new £114m Millennium Stadium in Cardiff, the WRU confirmed yesterday. Wales will host New Zealand, Scotland and France at the home of English football, with minor games against Romania, Italy and Canada being staged at smaller grounds, yet to be confirmed.

now to be known as Allied Dunbar Premiership One and Two. No other club will lay a finger on the loot: from Reading and Leeds in the existing Third Division to Minchinhampton and Wotton-under-Edge in the direst depths of Gloucestershire Four, the great hinterland of the rugby landscape will be left to fend for itself.

Not that the movers and shakers of the English Rugby Partnership, the new management body charged with the organisation and running of domestic competitions, will lose too much sleep on that score. Yesterday's ratification ceremony was a triumph for the senior club activists who fought the Rugby Football Union to a standstill for a year and, as a result, now hold positions of enormous influence in the game.

Indeed, if the announcement of Allied Dunbar's three-year commitment signalled a great leap forward in the financial sense, it was even more striking as a symbol of the shift in the balance of power at the top end of the sport. While Donald

Kerr, the chairman of ERP and a leading protagonist in rugby's bitter civil war, held court at the top table yesterday. John Richardson, the RFU president, was sitting anonymously among the *hoi polloi*.

Kim Deshayes, the ERP chief executive, described the Premiership deal as "a giant step forward towards a proper professional structure for rugby in the new century" and predicted that each First Division club could expect £100,000 annually direct from the Allied Dunbar pot. "That's treble the income from the existing sponsorship deal with Courage," he pointed out.

But before the ink was dry on the contract, Kerr was warning the biggest-spending clubs that current wage levels were unsustainable. "There's not much we at ERP can do about over-inflated wages because it is illegal to impose a salary cap," he said. "It might be possible to contain salary expenditure within a certain proportion of income, but that hits the poorer clubs far harder than the better off. The age of the sugar daddy is by no means over; in fact, I'm not sure it will ever be

The best ERP estimate on the total money available to the clubs it represents next season - worked out on the basis of Allied Dunbar cash, Sky broadcasting revenue and funds arising from the Heineken and Pilkington Cups - is close to £10m. Split between the two Premiership divisions on a two-thirds/one-third basis, it still leaves a black hole in many balance sheets that can only be filled by heavy outside investment.

Meanwhile, the RFU will attempt to ease the financial fears of the vast majority of English clubs by piecing together a package of small sponsorship deals designed specifically to send money trickling down to the grass roots.

The first of those was secured this week when NPI, the pensions group, agreed to support the Junior and Intermediate cup finals at Twickenham on 3 May and the RFU is also hopeful that Courage will continue to back the sport at local league level.

The new face of No 1 court unveiled at Wimbledon



A workman applies some finishing touches yesterday to the Wimbledon new No 1 Court (above), while the remains of the old court are photographed for posterity (right). The All England Club describes the new court - which will be ready for this year's championships (23 June to 6 July) - as the "younger brother" of the Centre Court and is keen to ensure that the new boy does not overshadow the original star. *Illustration by Peter John Ross*

Like the original Centre Court, the new No 1 Court is four storeys high. "However," the Club points out, "as part of the stadium is countersunk into the hillside, this ensures the roofline is no higher than the Centre Court and serves to underline its desired status."

Now the job, then, the new building is complete.

demands of the best, as many younger brothers do. Only past singles champions who have won Wimbledon three times or more will be invited to form a guard of honour when the Duke of Kent, the club's president, conducts the opening ceremony on Monday 23 June.

Circular in plan, and drawing inspiration from the original design of the Centre Court, the new No 1 Court will have approximately 11,000 clear-view seats, 4,500 more than the old No 1 court, which was closed last September. Since then, the North Stand and the Lower West Open Stand of the old No 1 Court have been demolished and the area will be covered off by this year's championship.

Photographer David Asbridge

England claim victory over Germany

Football Association officials flew back to England last night convinced that they had emerged victorious from the latest round of their World Cup conflict with Germany and Uefa, European football's governing body.
The FA's five-strong delega-

tion met Uefa executives in Geneva to put their case for being given the right to bid against Germany for the 2006 World Cup. After the discussions it was clear that Uefa was backtracking from its February assertions that it had already committed itself to the German bid.

Two months ago, Uefa's general secretary, Gerhard Aigner, sent the FA a fax informing it of official Uefa backing for

Germany's bid, which is headed by Franz Beckenbauer.

That brought a furious response from the FA, backed by both major political party leaders, with the FA pledging to fight for the right to stage the World Cup for the first time in 40 years.

While Uefa reaffirmed yesterday that it did want to support only one candidate, its executive committee admitted that England did have every

right to submit a bid. That was seen as a success by the FA, whose director of public affairs, David Davies, said: "We're flying home with a very positive attitude because we feel our position has been vindicated." Uefa is now unlikely to back either bid until late next year.

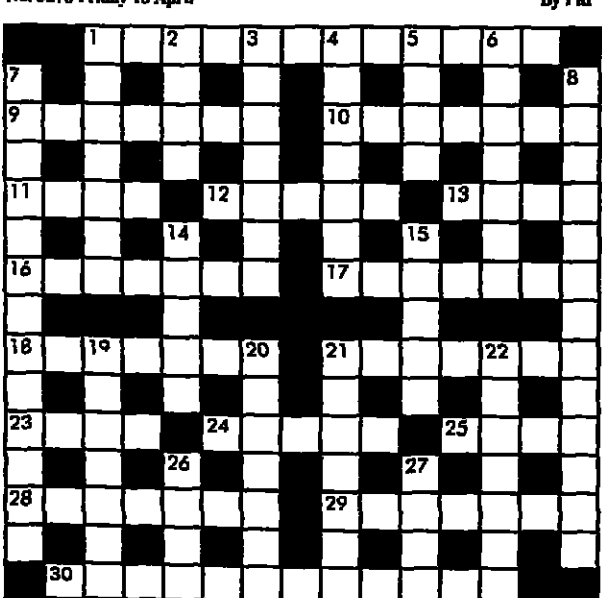
Chelsea have announced a four-year multi-million pound sponsorship deal with the car windscreen company, Auto-

glass. Barry Horne has stepped down as the captain of Wales, but will still be available for selection to the national side.

Gary McAllister, the Coventry midfielder, is in line to win his 50th cap for Scotland in the World Cup qualifier against Sweden in Gothenburg later this month, while the Hibernian goalkeeper Jim Leighton is due make his 78th appearance for his country, becoming the

[illegible]

No. 3276 Friday 18 April



ACROSS

1 Wanting Doc, along with Sleepy, to be very bored? (4,3,5)
9 Bet one means to keep for future use (3,4)
10 Exhaust only stuff that is found around half of Gulf (7)
11 Tie up space, on reflection (4)
12 Hard to follow military leader's simple act (5)
13 "Name" with a following is irredeemably inferior (4)
16 Dicky or Mike's annoying (7)
17 Marine company backing European one, I see (7)
18 Comfortable after returning sought-after report (7)
21 Edition of book, one in un-used condition, with price

23 written inside (7)
Dance party in Gravesend
(4)
24 Good selection in skin
treatment (5)
25 Staunch good fellow has
backed me (4)
26 Damage roughly, taking
end off crane (7)
27 Fashionable inarticulate
singing on one note —
that's cruel (7)
30 Acting sneakily has signifi-
cant conclusions, we hear
(7, 5)

DOWN

1 Money-lender's reserved a
form of security (7)
2 Farm animals run away
from birds (4)
3 I meant to dance round at
an unpredictable moment
(7)

[illegible]

- 4 Actual achievement encompassed by English word, abandoning English (2, 5)
- 5 Very interested in power-less house (4)
- 6 Fix English weather? (7)
- 7 I'm clambering wildly, trapping foot in metal structure (8, 5)
- 8 Those producing records will be justified by this element of comedy (7, 6)
- 14 Cries of surprise sent up in disturbance (3-2)
- 15 Beautiful valley, not entirely tame (5)
- 19 Most of mission about Bible turned up in part of Spain (7)
- 20 Chap. sailor, one of five (7)
- 21 Impose new cut in film after it's sent round (7)
- 22 This quaking upset the whole strip of land (7)
- 26 One interminable clout will do for murder victim (4)
- 27 Resort where the outer parts of your hotel are being rebuilt (4)

Australia keep faith with talismanic Taylor

The first serious salvo of this summer may still be a month away, but Australia have declared their squad of combatants. One of them is to be led by their thoughtful and inspirational captain, Mark Taylor, ending speculation that he would be left behind to groove his golf swing. Seventeen players have been named, including the opening batsman Michael Slater, Yorkshire's overseas signing until the call of more glorious matters beckoned.

It is barmy that some of us even entertained the possibility that Taylor's job was under threat. He is comfortably the best Test captain around and, although his personal form is the scrawniest of his career - he has not reached 50 in his last 20 innings - he keeps leading his side to victory.

Taylor, speaking in Sydney yesterday, said: "It is relief. It's just nice to be on another Australian team. Going as captain is something very special."

However, the appointment of Steve Waugh as vice-captain over Ian Healy, the previous holder, will clearly indicate to Taylor that a long-term replacement is being lined up should his bad run continue.

The appointment of Waugh, now 31, was not pleasant to Taylor, who had considered the move to be a "minor personal blow". But if England are hoping to make any currency out of the situation, Healy, who was banned for two one-day matches in South Africa for throwing his bat, quickly closed ranks, saying: "In good teams the personal never gets in the way of team goals." His understudy will be Adam Gilchrist, a young keeper-himself being touted as a future leader of this country.

The only other surprise is the omission of Paul Reiffel, who bowled so well here four years ago. The Victorian seam and swing bowler has been suffering from injury. In his absence, the selectors have been impressed by Andrew Bichel, a stocky, bustling 26-year-old paceman from Queensland.

He, along with Glenn Mc-

Yorkshire sign Lehmann

Yorkshire yesterday signed Darren Lehmann, the Australian left-hander, as their replacement overseas player following Michael Slater's inclusion in the Australian touring party.

Surrey have opted not to chase a replacement for Brendon Julian, who is also in the squad. They say they are happy to rely on their up and coming youngsters.


Glamorgan intend to have Waqar Younis, the Pakistan fast bowler, back in Cardiff within the

next 10 days to assess the injury
their overseas signing picked
up in Sri Lanka yesterday.
Wagar was initially reported
as suffering from a stress
fracture of the left ankle that would
keep him out of action for a mini-
mum of six weeks. But in-
quiries by the county indicate the
problem is not as serious as was
first feared and relates to the toe,
not the ankle. Glamorgan's se-
cretary, Mike Patkin, admitted he
was still "concerned".

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